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Neoliberal governing through social enterprise: Exploring the neglected roles of deviance and ignorance in public value creation

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This article makes a case for paying greater attention to how informal relationships between government officials and civil society practitioners impact processes of public value creation. Drawing on data from a five-year qualitative longitudinal study, we illuminate how civil society practitioners deviate from the formal objectives of social enterprise policies in order to create what they see as having public value. Through a process of theory elaboration, we demonstrate how government officials' wilful ignorance of, or informal collaboration in, such deviance, precipitates forms of public value that are consistent with wider political objectives. Our analysis adds nuance and granularity to the debate on public value by drawing attention to the arcane ways it may be informally negotiated and created outside of the public sphere. This opens up new empirical and theoretical opportunities for understanding how deviance and ignorance might be symbiotically related in processes of public value creation."

1 | INTRODUCTION

The world in which public administration is practised has shifted dramatically since Moore's (1995) seminal work on public value, which demonstrated how public officials maximize the resources available to them to create value for society. Public administration scholarship has adapted accordingly, paying attention to the shifting dynamics and conditions under which public value is created, placing particular focus on processes of co-creation and deliberation between various state and non-state actors (Bryson et al. 2017) with a particular focus on the role of Civil Society Organizations (CSOs) in creating what has value for society. However, what were intended as analytical concepts have been too easily misinterpreted as prescriptive guidelines which delineate how public value ought to be created (Cairney et al. 2016). While the language of collaboration has permeated policy discourse in countries such as the United Kingdom (UK) (the focus of our research), integrative public leadership (Crosby and Bryson 2010) must necessarily be practised in the context of existing forms of governance within—and by—a public sector that is resistant to challenges to established ways of working (Osborne and Strokosch 2013).

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The power to define what has public value effectively remains in the control of elected public officials and is therefore subject to political objectives (Bryson et al. 2017). However, political agendas are unlikely to achieve consensus between all actors involved since there can never be agreement as to what has wider value to society (Bennington 2015). CSOs are often engaged in creating (different versions of) what they see as having wider public value. However, many CSOs also rely on the public sector for financial support, which may be provided via command and control measures such as public service contracts (Rees 2014). In the UK, this has resulted in paradoxical situations whereby CSOs may be ideologically opposed to the political objectives of governments that they also rely upon for financial support (Clayton et al. 2016). On one hand this raises questions about how CSOs might collaborate (or otherwise) with public officials in order to create what they see as having public value. On the other, this raises questions about how government can ensure that the public value created is consistent with broader political aims (Pederson and Hartley 2008).

A Foucauldian governmentality perspective (Foucault 2008) has had considerable influence on those seeking to understand issues of power and control in an era when direct control is no longer feasible. Relying on a paradoxical governance structure (Pedersen and Hartley 2008) that is simultaneously predicated on high levels of collaboration with, and control of, non-state actors, government exercises power not only through the command and control levers of New Public Management, but also governs 'at a distance' through normative political philosophies, such as the Big Society (Alcock 2010), that discursively create an ideal to which citizens and organizations should aspire (Foucault 2008). CSOs are hence 'responsibilized' through the inscription of particular ways of thinking and behaving which allow government to achieve its objectives (Ferlie and McGivern 2013). Existing studies have demonstrated that CSO practitioners do not have to identify with and internalize government's discursive invocation, but can mimic the behaviour expected of them in order to attract public resources, which can then be used to create forms of public value not envisaged by government (Newman 2012; Dey and Teasdale 2013, 2016).

While these studies have demonstrated CSO practitioners' ability to transgress government's official demands in order to create what they see as having public value, they have neglected the role of public officials in this process. The implicit assumption is that government officials are ignorant of the ways in which the power to define what has public value is effectively (re)appropriated by practitioners. However, as we argue in this article, such ignorance can be nescient or wilful (Nietzsche 2003). In some contexts, public officials may wilfully ignore deviance in order to grant CSO practitioners discretion over how to produce public value (Lipsky 2010). Our own research, a five-year qualitative longitudinal study tracking the behaviour of CSOs over time, highlighted that even when deviating from formal rules, practitioners often sought to create forms of public value that were broadly consistent with the UK government's political objectives. This led us to investigate in this article whether and how deviance by CSO practitioners, and ignorance thereof, by government officials, might combine to produce public value. Combining our data with academic literature through a process of theory elaboration (Fisher and Aguinis 2017) and *ex-post* plausibilization, we develop a typology containing different combinations of (ethically intended) deviance and ignorance. Our unique contribution, therefore, is to draw attention to the more arcane dimension of leadership and demonstrate the ways in which public value might be created outside of the public sphere.

The article proceeds as follows: our literature review section introduces the concepts of public value, deviance and ignorance in order to extend governmentality theory to better understand how governments might maintain control over the levers of public value creation where direct control is unfeasible. Next, we introduce our wider research study and approaches to analysis and theorizing. In our findings section we show the different ways in which practitioners deviated from governmental rules to access resources that could be utilized in ways that they saw as consistent with public value. In our theory elaboration section, we combine our data with academic literature on deviance and ignorance to outline three plausible scenarios of public value creation, each assuming a distinct inter-relationship between deviance and government officials' ignorance thereof. In concluding, we discuss how future research might probe the hidden spaces within which these forms of leadership occur.

2 | NEOLIBERAL GOVERNING AND PUBLIC VALUE(S)

Within public administration scholarship the research focus has historically been on the role of public officials acting as leaders by actively creating public value through balancing efficiency, the mandates of political programmes, and the delivery of public value to citizens (Moore 1995). Critics of this approach argue that public value is reduced to a counterpoint to shareholder value. As such, creating value for the public becomes a quest to deliver governmental programmes more efficiently (Bryson et al. 2017). However, public value is a contested democratic practice (Bennington 2015), which changes over time, and can be altered through debate. As the world inhabited by public leaders has become (recognized as) increasingly complex and ambiguous (Van Wart 2013), there has been a gradual shift in the unit of analysis towards collaborations between public and particularly CSO actors (Ansell and Gash 2007); the ways in which CSOs can be mobilized into action (Williams and Shearer 2011); and the ways in which public value can be democratically negotiated and decided through cross-sectoral and inter-organizational deliberations within the public sphere (Bryson et al. 2015; Bryson et al. 2017), and subsequently enacted through co-produced service delivery (Brandsen and Pestoff 2006). Under this 'integrative public leadership' approach (Crosby and Bryson 2010; Morse 2010), CSO actors and public officials engage in consensus-oriented decision-making to agree on what has public value (Ansell and Gash 2007), and then work together to co-create it.

However, public leadership, particularly in the UK context within which our research is located, is necessarily practised in the context of New Public Management mechanisms within and by public service organizations (Pederson and Hartley 2008; Osborne and Strokosch 2013). Consequently, unequal power relations between state and non-state actors continue to manifest themselves in examples of partnership working (Newman and Clarke 2009). While the language of partnership may be used to describe co-production processes, the same state and civil society actors may also be engaged in control-orientated and market-based cultures of governing, including service-level agreements and contracts (Rees 2014). There is an ongoing tension between the public value constructed and argued for by different (civil society) groups, and the political objectives of government (Hartley et al. 2017). The power to define what has public value, if not direct control over the means to achieve it, remains in the hands of state actors (Jacobs 2014; Bennington 2015). A key challenge for governments, therefore, is how to exercise control over the plurality of civil society actors tasked with delivering public value: that is, ensuring that the public value created is consistent with political objectives (Pederson and Hartley 2008).

The concept of governmentality was initially developed to aid understanding of how governmental control is exercised through the discursive creation and mobilization of autonomous, responsible, prudent and action-oriented subjects informed by economic rationality (Foucault 1991). Demonstrating strong parallels with the integrative approach to public leadership, scholars of neoliberal governing have focused on 'sub-political' forms involving non-state actors as elemental players in fulfilling roles and providing services previously delivered by the state (Holzer and Sørensen 2003). Examples of neoliberal governing include public leaders using specific techniques to nudge a plurality of civil society actors into particular roles and actions (Sørenson and Torfing 2009). Here, neoliberal governing combines the discursive creation of the ideal citizen, including the behaviours and ways of thinking to which individuals should aspire (Foucault 1982, 2008; Dean 2009), with the manipulation of economic levers to guide subjects towards the self-governing 'entrepreneur of the self' (Foucault 1982). In the context of public value, neoliberal governing implies that governments decide what has public value and discursively shape available possibilities such that the self-interests (or indeed public values) of citizens, communities and civil society organizations are aligned with their political vision (Murray 2007).

2.1 | Social enterprise as governmental technique

A growing strand within governmentality and public administration literature has focused on the 'activation' of civil society organizations (CSOs), aimed at transforming civil society into a governable terrain (Carmel and Harlock 2008), by normalizing the need for enterprise, competitiveness, innovation and social inclusion (Dey and Teasdale 2013).

Since the late 1990s, successive UK governments have discursively created social enterprise as an ideal civil society business model, that apparently enables the simultaneous pursuit of commercial revenue with the delivery of social goals (read the vision of public value as determined by practitioners). Public policies, discourses and financial incentives have been used to mobilize CSOs to compensate for the withdrawal of the state from direct welfare provision (Grenier 2009). Legislative instruments such as the Community Interest Company—a new legal form for social enterprise introduced in 2006—have been used to facilitate CSOs adopting business models and entering public service delivery markets (Smith and Teasdale 2012). A conspicuous feature of these governmental techniques is their non-authoritative stance, whereby the approach is to specify the broad aims of public policy—what has public value, in effect—but to leave the how to the discretion of local officials and civil society actors. Hence, civil society actors are nudged towards the fulfilment of political objectives (Carmel and Harlock 2008).

Studies of neoliberal governing have focused on resistance from CSO practitioners to social enterprise. Some authors find that such actors refuse to conform to discursive stipulations (Parkinson and Howorth 2008). However, when researchers have delved deeper into the hidden 'spaces of power' (Newman 2012), a more fine-grained picture emerges, whereby CSO practitioners mimic rather than authentically incorporate the ideals and behaviours expected of them in their dealings with public officials in order to appropriate financial resources (Osborne et al. 2008). These resources can then be redirected according to practitioners' own perceptions of public value (Newman 2012; Dey and Teasdale 2016). Such mimicry and deviance could be seen as evidencing the failure of neoliberal governing. But, to date, studies have not explored what such deviance actually precipitates in terms of public values and/or political objectives. Relatedly, it is important to consider what forms of deviance neoliberal governing informally tolerates (Haughton et al. 2013). A key challenge for government is balancing control and discretion when dealing with CSOs (Pederson and Hartley 2008). Where public value created by CSOs is consistent with broader political objectives, it may be conducive for government to informally tolerate CSOs' deviant behaviour. This suggests that CSOs' deviance, and public officials' ignorance thereof, might be important elements of public value creation within neoliberal governing.

2.2 | Deviance and governing

Street-level bureaucrats often deviate from the high-level demands of policy, for a variety of motivations ranging from self-interest to altruism (O'Leary 2010). Such deviation from formal guidelines and policies has predominantly been treated as a problem to be rectified through better co ordination (or control) and alignment of goals between different levels of government (Keiser 2010) (see Gofen 2014 for an excellent overview of 'street-level divergence'). Here deviance can be seen as a rational choice (Gofen 2014) motivated by self-interest, whether to minimize effort expended on the job or to sabotage policy. Some scholars see deviance as a consequence of public officials not having the necessary skills to carry out the job properly, or because policy demands can run contrary to professional training. Deriving from this more neutral interpretation, some authors suggest that deviance is inevitable since the formal demands of the job are often imprecise or, alternatively, too detailed to ever be satisfactorily accomplished (Lipsky 2010). Hence rational decisions are made, but only within a limited range of options (Jones 2003), and so deviance becomes necessary to carry out the task in hand.

A wider literature, particularly from organization theory (Spreitzer and Sonenshein 2004) and business ethics (Hartman et al. 2005) supports this positive rendition of deviance. A study on the deviant behaviour of repair technicians at Xerox discusses how technicians' systematic deviance from instructions stipulated in repair manuals led to creative improvisations which ultimately benefited the corporation as a whole (Contu and Willmott 2006). Characterized by an intention to 'get things done', such organizational expediency relates to how employees might ignore established norms, rules or directives if this increases the likelihood of achieving organizational goals (Parks et al. 2010, p. 707). The positive potential of such deviance can be indirectly inferred from employees blindly adhering to existing rules and norms: organizations whose members strictly follow the rules run the risk of failing in the long run (Ortmann 2004) precisely because employees are unable to bend existing rules to accomplish organizational

objectives. Transposed to neoliberal governing, even if governmental techniques specify the 'how to do it' (Pollitt 2013), they cannot possibly account for the complex contingencies and interdependencies of actual practice (Scott 1998).

More relevant to our own work are studies of deviance prompted by ethical considerations. Rather than being wholly made though legislatures, public policies are practically enacted through the activities of street-level bureaucrats (Lipsky 2010; Carey and Foster 2011). Policy conflict or negotiation thus occurs not only between politicians in legislatures, but also in the struggles between street-level bureaucrats and their clients (Lipsky 2010). Deviance might therefore be undertaken to 'bend, break, or ignore rules to provide justice for their citizen-clients' (Gofen 2014, p. 476). For example, Carey and Foster (2011) discuss the ethical dilemmas facing social workers who choose to ignore the rules because they see policy as unfair, and show how they use deviance as a means to 'make a difference' by encouraging clients to lie on their forms to enable them to access social security benefits. This case highlights the ambiguities in distinguishing between negative and positive forms of deviance, since what is beneficial to public policy might not always be deemed to have public value by practitioners implementing said policies. One way around this is to treat deviance as axiologically neutral since the outcomes of even positively intended deviance are contingent (Spreitzer and Sonenshein 2004).

2.3 | The symbiotic relationship between deviance and ignorance

Deviance is an inherently relational phenomenon. Understanding the different ways in which deviance might contribute towards or detract from, public value creation and/or political objectives necessitates a greater understanding of how government officials relate (or not) to such deviance. From the perspective of New Public Management, government officials should strictly enforce rules, and impose penalties on organizations that deviate from prescribed guidelines. However, a more pragmatic approach may be necessary in an era when government seeks to maximize (what they see as having) public value (O'Flynn 2007). Under neoliberal governing, power is exercised not by stipulating precisely how things are supposed to be, but through maintaining moments of secrecy and silence which engender 'relatively obscure areas of tolerance' (Foucault 1990, p. 101).

The concept of ignorance offers a productive way of framing governmental discretion toward CSOs' deviance in theoretical terms. In its common-sensical understanding, 'ignorance' hints at a deficiency of information (McGoey 2007). However, Nietzsche (1998) aptly reminds us that ignorance goes beyond not knowing, to also encompass the purposive cultivation of not wanting to know or to see everything. Consequently, ignorance in the Nietzschean sense represents an active refusal to know. Such refusal does not necessarily mean that actors have no access to the knowledge they ignore (McGoey 2007). Sometimes, the knowledge being ignored may remain latent, and can easily be made conscious. Examples include individuals or organizations gaining a specific advantage from purporting that they 'do not know', such as UK government officials suppressing evidence of war casualties in the Iraq war to prevent public critique (Rappert 2012). Ignorance is thus often used in a strategic manner. In the context of our research, this might imply that if deviance by CSO practitioners contributes to getting the job (of public policy) done, then government officials might deny knowledge. For example, Lipsky (2010) demonstrated that managers may choose to ignore (the possibility for) deviance where it facilitates organizational expedience, noting that while 'brutality is contrary to police policy, a certain degree of "looking-the-other-way" may be necessary' (p. 19).

These examples hint that an analytic distinction should be made between deliberately putting oneself in a position where one is unable to observe deviance, and knowing about deviance (or at least anticipating that cases of deviance might exist) but denying knowledge/not disciplining. Empirically it is almost impossible to ascertain whether ignorance is bona fide (i.e., public officials lack knowledge), feigned (i.e., public officials pretending not to know), or the result of looking the other way (i.e., public officials could know but decide not to). But the implication for our own work is that should deviance on behalf of CSO practitioners expedite political objectives then government might either actively seek not to know, or deny knowing. Both scenarios imply a sphere of tolerance within which practitioners might deviate from the formal rules and regulations inherent within policy in order to redefine or usurp their

'rigidity and lack of possibility' (Davies and McGoey 2012, p. 80). Bearing in mind these axiologically neutral readings of deviance and ignorance, we wanted to probe this sphere of tolerance in order to better understand whether and how deviance by CSO practitioners, and ignorance thereof, by government officials, might combine to produce public value and/or achieve political objectives.

3 | METHODS

Our data derive from a five-year (2009–14) Economic and Social Research Council qualitative longitudinal study of 15 UK-based CSOs. This wider study was designed to gain understanding of how these organizations experienced change over time, the challenges they faced and the strategies they used to negotiate these challenges. A full description of the wider study is provided by Macmillan (2011). Here we focus only on the methodological procedures relevant to this article.

Our article draws primarily on three cases purposively selected as social enterprises, that is businesses trading for a social objective. All cases have been anonymized to protect the identity of participants. While a fuller description of the cases can again be found in Macmillan et al. (2011), Teak was a charitable regeneration company providing employment to disadvantaged groups; Beech was a relatively new environmental social enterprise focusing on recycling and training with disadvantaged young people and adults; while Fir was a member-owned sports club based in a large town in the South of England. Fieldwork was conducted in five 'waves' and data were collected through ethnographic-style methods, including semi-structured interviews, informal and unstructured interviews (with a range of stakeholders), documentary analysis and field observations. Our longitudinal dataset contained over 500 interview transcripts, observational data and various secondary materials. Each case was also connected to supplementary cases to enable us to draw upon external perspectives over time.

Longitudinal narrative accounts for each case were developed over the course of the study. To enable analysis across cases these narrative accounts were developed thematically, using the broad codes: fortunes, challenges, strategies and performance, while leaving room for storylines intrinsic to one or more cases to develop over time. One storyline centred upon how one of the cases presented formal organizational narratives around social enterprise, but these did not appear to correspond with the practices we observed. Cross-case analysis revealed that similar behaviour was occurring in each of the three cases. The opportunity to study organizations in-depth and over an extended period of time enabled us to delve beyond the formal organizational narratives initially offered by participants (see Taylor et al. 2014). Our fieldwork in the later rounds thus sought to ascertain the motivations behind practitioners' mimicry, and understand what value (if any) it produced. In all cases, mimicry was, at least in part, designed to attract public resources, particularly contracts to deliver services. In each case (as we show later) these resources were not used as originally intended, but instead were channelled into activities which government did not financially support. However, data collection was completed before we began questioning the extent to which government was ignorant of such deviance. We therefore returned to our observational notes and transcripts to search for data that would shed light on the relationship between deviance and ignorance.

Data analysis comprised three further stages. The first stage involved the first author's first-level observations and descriptions of significant events related to the cases, and their relationships with government officials. The second stage included the first author attempting to make sense of the initial insights by tracing through the transcripts to identify relevant quotations dealing with, explicitly or otherwise, instances of deviance and ignorance. Here, our analytic procedure involved both authors discussing in detail the first author's initial interpretation of whether deviance was positively intended, and refining and revising where appropriate. This, combined with the in-depth methods adopted (observations, interviews with different stakeholders over time, and building deeper relationships with participants), lends some confidence to our findings. The third stage involved both authors engaging in a process of 'theory elaboration' (Fisher and Aguinis 2017) geared toward explaining the entanglement of CSO practitioners and government officials in the context of public value creation. Theory elaboration allowed us to connect surprising

empirical observations and existing theoretical concepts to create novel insights into the subject of inquiry. Specifically, the elaboration process began with an existing conceptual model (in our case Foucault's governmentality) that partially explains a phenomenon (the ways in which government attempts to maintain control over public value creation in the context of neoliberal governing).

Moving backwards and forwards between our data and different bodies of academic literature to help explain deviance led us to the academic literature on ignorance (albeit limited) and on public value. These concepts were introduced to the conceptual model to help gather and organize data. This helped us refine governmentality theory as practised in the public administration/civil society literatures, to better reflect the original intentions of Foucault, in incorporating the relationship between deviance and ignorance. Consequently, our refined governmentality approach is able to offer an alternative way of understanding how government seeks to maintain control over the creation of public value, within hidden spaces of tolerance in which CSO practitioners were able, within limits, to deviate from government's stated objectives.

4 | RESULTS

Two of the three core social enterprise cases (Teak, Beech and Fir) could be seen to engage in some form of deviant behaviour. For each case we perceived deviance as 'positively intended' (Hartman et al. 2005) since the ultimate objective/and or achievement was (primarily) to create value for society in providing benefits to clients/users of the CSO. Such ethically motivated deviance could be seen as occurring as practitioners considered ethical dilemmas (Carey and Foster 2011), and found in favour of their clients. In one of the secondary cases our analysis concluded that the outcome of deviance was private rather than public gain. We highlight the different manifestations of deviance that we found, before turning our attention to ignorance.

4.1 | Deviance for personal gain

To some extent all practitioners involved in deviance benefited personally, whether from enhanced public profiles, the ability to pay themselves a salary, or the prestige of running a successful organization. In only one case, however, did we concur that deviance was primarily for self-interest. The leader of a small CSO described the company as a 'social enterprise' to attract grant funding and financial support in the form of subsidized rent from local government. In essence they were strategically using the sign 'social enterprise' as a legitimating strategy to attract public funds. It was notable, however, that the CSO was structured as a Company Limited by Share, which technically made it possible to pay out surpluses to the owner. Since the organization was a start-up and there were no beneficiaries, the end result was that grant funding was (it could be argued) being misappropriated to pay the owner's salary. However, whether this was the original intention was unclear. Examining the data across cases we found no other examples of manipulation that were clearly for personal gain.

4.2 | Ethically motivated deviance

Our review of the street-level bureaucracy literature highlighted that ethically motivated deviance may occur where public officials are torn between obligations to government and to their clients. It should be noted that in our study, the 'deviants' were employed by CSOs whose primary responsibility was to their clients. Each case mimicked the behaviour expected of social entrepreneurs to gain access to financial resources, often public funds. Deviance occurred when these public funds were 'misused' in ways aimed at furthering the social aims of the organization. Although the repurposing of public funds was not permitted officially, these practices were consistent with the pursuit of (what they saw as having) public value. This is best illustrated by the behaviour of Liam, the Chief Executive of

Teak, who disguised his personal dislike of governmental objectives, while acting in public as a 'true' social entrepreneur.

Liam presented himself in public as apolitical, although he revealed within the context of our fieldwork that he had deep sympathies with New Labour. Our study followed Liam and Teak over a four-year period covering the 'economic crisis', a change of government and governing philosophy, and a severe downturn in the industries which Teak operated in (construction and hospitality). During the course of our study, Teak received considerable government funding to run a programme to train a new generation of social entrepreneurs. The focus of our developing storyline was on Liam's (initially successful) efforts to persuade the new (Conservative-led) government to continue to fund the programme. A fuller account of this case is provided in Dey and Teasdale (2016). Liam's 'bogus' performance in acting out the Coalition government's 'big society' discourse proved instrumental in attracting public money. Certainly such mimicry was not unusual or even unethical for Liam, simply a necessary part of 'playing the game':

> Will I have problems, you know, telling [Cabinet Minister] he's a lovely chappie and all that … It's just a game, it's just a game. There's nothing that we've done that would, you know … We're not manufacturing drugs, we're not taking people out to the lap-dancing club. (January 2011)

Conversations with Liam prompted by analysis of the accounts revealed that a substantial part of the money given by government was diverted to pay salaries of (disadvantaged) workers employed in the loss-making construction subsidiary.

The two other social enterprise cases utilized similar forms of mimicry to access public money. Both created public profiles that closely mirrored governmental discourse. Beech described themselves on their website as a 'social enterprise using bicycles and cycling as a tool to tackle social and environmental challenges at a community level'. A theme emerging through the narrative account of Beech focused on the time that key members of the management team spent attending social enterprise conferences and awards dinners. Some of the staff felt that the management team was neglecting the organization to develop their own personal profiles. However, our interpretation was more nuanced. The conferences and award dinners helped establish Beech as what one external stakeholder described as 'social enterprise glamour models'. According to one of the founders, the 'conference circuit' helped them meet politicians, public officials and financiers:

> So they've been doing that nearly for a year and it's allowed them to have additional networks, so obviously it's social capital being hugely important. So things like, you know, you'll have a connection with John Lewis, you know, or Eden or, you know, or a whole range of people … that [we] will look to have and develop those relationships.

The development of these relationships eventually led to public contracts to provide training in bicycle repair methods to prisoners, and also substantial investment from a quasi-public social investment company. In many instances, this funding appeared dependent on the professional business-like approach conveyed by the management team: a business that could demonstrate the compatibility of profit and public value. However, an alternative perspective was that Beech relied on grant funding for around half of its income. Behind the glossy social business training programmes and bicycle shops in London we observed different public values driving Beech. Young people would hang around the bicycle repair centres, which acted almost as a youth club for those excluded from school. An informal (and unfunded) programme developed by Beech involved taking a group of people with mental health problems for bicycle rides around the local park. Effectively, mimicking social enterprise helped Beech attract resources for certain activities (e.g., working in prisons). But resources were channelled towards providing leisure opportunities for people with mental health problems, something they perceived as having public value, but which government was unwilling to fund.

Fir's public profile closely mirrored the local authority discourse around regeneration, cooperation, community development and providing opportunities to disadvantaged young people. This helped them access public money to

build a new sports ground primarily benefiting their members. As in the other cases, Fir was mimicking the profile expected of them by government in order to attract public funds for one purpose, but using these funds to benefit their members. This highlighted that distinctions between self-interest and ethical motivations are not always clear-cut. Partially in line with the notion of public value as contested democratic practice (Bennington 2015), while positively intended, such behaviour by practitioners might produce value for their members (what they saw as having public value) but run counter to what others (i.e., we) saw as having wider public value. However, contrary to the integrative public leadership literature, in our study these contested practices were not played out in the public sphere but, rather, in hidden spaces.

In all three cases practitioners were mimicking the behaviour expected of social entrepreneurs (or in the case of Fir, of cooperatives) in order to access funds. In each case, these funds were being redirected towards other activities which practitioners saw as having public value—the provision of employment to disadvantaged groups (Teak), a safe and supportive environment for people with mental health problems (Beech), and a new sports ground for a cooperatively owned sports club (Fir). Other studies confirm that such deviance is a part of CSOs' everyday resistance in a sector where organizations have to adopt the traits desired by potential supporters in order to achieve funding (Osborne et al. 2008). While this might suggest that neoliberal governing ultimately fails to achieve its objectives, it was notable that in the case of Teak, Liam's deviance precipitated effects in line with broader political objectives: to create employment for disadvantaged groups. Hence, ethically motivated deviance might not always signify the failure of neoliberal governing, at least not when practitioners' considerations of public value align with broader political objectives of those in power. This led us to explore, through a process of theory elaboration, the extent to which government might be aware (or ignorant) of deviance.

5 | THEORY ELABORATION

At this stage of our analytic journey, and in line with the theory elaboration approach outlined in our methodology section (Fisher and Aguinis 2017), we drew on the academic literature to sketch plausible explanatory scenarios concerning the relationship between CSO practitioners' ethically intended deviance and government officials' ignorance in the context of public value creation. We then re-interrogated our data to help populate and refine these scenarios. A limitation of our study is that we were unable to conclusively demonstrate ignorance on the part of public officials (indeed, it is questionable whether researchers can ever conclusively demonstrate the existence of ignorance due to the elusiveness of the phenomenon). Differences between the scenarios discussed in the following sections relate to whether government officials are aware of deviance, and then, whether they choose to wilfully ignore it, or actively collaborate with deviants to create public value.

5.1 | Bona fide ignorance

First, it is plausible that government officials might be genuinely unaware of practitioners' deviance (bona fide ignorance). This is the scenario most commonly implied in civil society (Osborne et al. 2008) and street-level bureaucracy literatures (Evans and Harris 2004). Here the implication would be that practitioners accept government funding for a particular purpose, but after balancing the ethical obligations to their clients with those of public funders, they come down on the side of clients. This was most apparent in the case of Beech, where practitioners used their social enterprise profile to attract government money for one purpose, but diverted it so that they could meet the needs of their disabled clients.

In this scenario, government would not be a constitutive element of the public value creation process. Instead, CSOs assume responsibility for defining what has public value (to them) and creating this through first mimicking, and then deviating from, governmental techniques. This implies that CSOs have considerable freedom to pursue their own vision of public value, since it is carried out away from the gaze of governmental power. In some circumstances

one can see how this might serve wider public value; for example, under forms of government that do not have democratic legitimacy. More usually, at least in the UK context during the time of our inquiry, such forms of leadership might occur when CSOs disagree with governmental objectives and seek to create an alternative usage of public funds. Alternatively, there is the possibility under this scenario that CSOs agree with wider political objectives, but are simply pursuing more technically feasible approaches to achieving these.

5.2 | Laissez-faire governing

The second possibility is that government officials were aware of the possibility for deviance, but chose to look the other way. This has clear parallels in Lipsky's (2010) work where he notes that deviance may be necessary for the successful functioning of an organization, and that managers may look the other way when it facilitates organizational expedience.

This scenario could also involve government officials being actively aware of CSO practitioners' deviance but refusing to sanction it, since knowing (or at least expecting) that the public value it engenders is in line with broader political objectives. This would be supported by Liam's references to the 'game' being played. It is important to note that participation in such a game requires both parties having a shared sense of what constitutes public value. While Liam was privately critical of the Coalition government, both parties saw the creation of employment for disadvantaged groups as a necessary condition for a stable society. It would appear, at least from Liam's accounts, that government officials deliberately chose to ignore how Teak spent public funds given for a different purpose, so long as the end results contributed towards the employment of disadvantaged groups.

Liam rhetorically questioned whether there was a simpler way of funding organizations like Teak to achieve public value:

> Can you actually do some of this without some funny money? Should there be funny money or should it not be called funny. Is there an economic case for support but in a much more [open manner] ... (September 2012)

In a subsequent conversation with the first author, conducted while driving back to the train station, he answered: 'Probably not' (field notes, September 2012). Liam felt that government needed tightly specified rules and regulations so they could avoid being blamed if things went wrong, but they were quite happy to look the other way when things were going well. This implies a laissez-faire understanding of public value creation, where such wilful ignorance of deviance nudges those it seeks to govern towards finding better answers to a given problem.

Public value creation in this context implies that government officials define and interpret what has public value, and provide (selected) CSOs an opportunity to develop solutions which deviate from the directives, rules and norms inscribed in governmental contracts. The implication is that political objectives are more important than the means by which they are achieved. However, government retains the ability to discipline CSOs which fail to produce public value, or where the public value they create is not consistent with political objectives. It would seem likely that should the answers to the given problem extend beyond the realms of what government officials deem desirable, or if political objectives change, then the space within which deviance is tolerated will be suddenly closed.

5.3 | Informal collaboration

Finally, there is the possibility that government officials are not only knowledgeable of CSO practitioners' deviance, but informally collaborate with them to facilitate public value creation. This scenario becomes more plausible once we recognize that those same government officials are also part of and constrained by an 'authorizing environment' predicated on hierarchical, rule-based systems (Lipsky 2010). Achieving their objectives might be simplified by actively collaborating with practitioners to find more effective ways of creating public value/delivering political objectives. To some extent there are parallels here with public leadership literature on collaborative processes of public

value creation (Crosby and Bryson 2010). But while this literature suggests consensus-orientated discussion open to a variety of actors and held within democratic public spaces (Bryson et al. 2017), our study suggests that collaborative leadership occurs in very different spaces. Although this remains partly speculative, it is not implausible that CSO practitioners and government officials discussed what has public value and how to manipulate alternative funding mechanisms to achieve this. As Liam explained in relation to how Teak became responsible for running a government fund:

> I'd been asked by [Government Department] to do a presentation on social business to a number of homeless organizations and we spent the day here and we did it and yeah, yeah, yeah—and it was obvious they [the homeless organizations] didn't give a shit, just keep giving us the money, we'll carry on doing the hand out and let someone else do the hand up … [later on] and we said [to the government officials] 'we'll tell you what, the way you're to do it is you run it' … and it came from that. Literally from a rather loud and argumentative conversation.

It is perhaps within this collaborative scenario that we see the greatest potential for realizing public value, at least where it is aligned with political objectives. The image of Liam and government officials establishing a consensus (through loud and argumentative conversations) on how best to create public value, and then discussing the best way to negotiate and bypass the structures of New Public Management in order to achieve this, has resonance. But clearly this scenario runs counter to notions of democracy, transparency and inclusiveness discussed in public leadership scholarship, and thus raises ethical questions about the extent to which, and conditions under which, deviance can be deemed an acceptable, even desirable, aspect of public value creation.

6 | CONCLUDING DISCUSSION

The starting point for this article was that in countries such as the UK we witness the conjuncture between New Public Management and a new integrative approach to public leadership. What people see as having public value is democratically contested (Bennington 2015). This contestation is usually seen as being negotiated in the public sphere through democratic deliberation (Bryson et al. 2015) and is subsequently co-produced by government and citizens. While policy rhetoric in the UK suggests movement towards an integrative public leadership approach, the levers of government have been slow to react. CSOs are, on the surface, invited to collaborate in agenda-setting and co-produced service delivery. But their funding remains very much reliant on acting as service deliverers for government under New Public Management control mechanisms such as public service agreements and contracts. Moreover, many CSOs are ideologically opposed to the political agenda of government, particularly under austerity. This raises questions about how CSOs might collaborate (or otherwise) with government to achieve public value. From a governmental perspective, it also raises questions about how to ensure that the public value created by CSOs is consistent with political objectives when direct control is either not possible or counter-productive.

We began to address these questions by developing governmentality theory, as applied in the public administration/civil society literatures, to incorporate issues of deviance and ignorance, and demonstrating how the two might combine to produce public value. Drawing from a five-year empirical and analytic project investigating how UK civil society practitioners deal with governmental technologies, we showed how the interplay between governmental techniques, CSOs' deviance and government's wilful ignorance might be interwoven in such a way as to create public value. Based on a theory elaboration approach we outlined three plausible combinations of deviance and ignorance and identified how they might create public value.

These scenarios differed in terms of the extent to which (a) government is aware of CSOs' deviant behaviour and (b) government and CSOs collaborate to achieve public value. The first scenario saw government officials as unaware of CSOs' deviance, and thus implies that the power to define public value can be appropriated by CSOs.

However, there are ethical dangers around whether the value, public or otherwise, they pursue may be at odds with the common good. Our second scenario implied that governments are aware of deviance (or the possibility for deviance) but choose to ignore it at least so long as the vision of the common good being pursued is congruent with political objectives. In this scenario the power to define public value shifts back to government, but CSOs have freedom to develop more appropriate means to pursue it than a command and control culture would normally allow. In the final scenario we raised the possibility that government officials might actively collaborate with CSOs in defining what has public value, and creating the conditions for its creation. This effectively mirrors the integrative public leadership approach, with the significant difference being that collaboration occurs in hidden spheres rather than the public sphere. The temporal element of our study adds nuance to these scenarios and suggests that relationships between deviance and ignorance may change over time and context.

Our article thus extends the governmentality literature on public administration through re-introducing Foucault's (1990) hidden spaces of tolerance (read ignorance). In turn this raises the possibility that deviance does not evidence the failure of neoliberal governing. Our article also contributes to the public value literature through drawing attention to the more arcane dimension of leadership and showing the ways in which public value might be created outside of the public sphere. This latter contribution has important implications. While we have attempted to tread an axiologically neutral line, we need to be mindful that while the possibility for practitioners to 'make things happen' under disempowering political conditions might be appealing, the possible democratic and ethical implications of such hidden practices may be damaging. Probing the thin line between positive and negative forms (or outcomes) of deviance appears worthwhile for advancing our understanding of the inherent ambiguity and immanent potential of governmental techniques.

Our article is exploratory, and our study was confined to a single country and time frame. It is therefore plausible that such forms of public value creation might be confined to advanced liberal countries that remain partially locked in a New Public Management paradigm. But it is also conceivable that these forms of public value creation might occur elsewhere in parallel to more integrative forms of public leadership. Future research should explore the prevalence of different combinations of deviance and ignorance in contexts more conducive to integrative public leadership. A more significant limitation of our study is that, by virtue of focusing on CSOs, we were not able to better address issues of deviance, and ignorance thereof, from the perspectives of government officials and policy-makers. Future studies in this vein should seek to better understand the role of politicians, politics and administrators in such clandestine forms of leadership, and particularly their interactions with practitioners such as Liam.

Relatedly, our study only hints at the importance of distinguishing between different levels of government. Future work could usefully explore how political ideas are translated into public value via complex chains of interactions (probably) involving deviance and ignorance at many points in the chain. Finally, it is debatable whether we possess the methodological techniques to clearly delineate motivations for deviance (or ignorance) (see Brodkin 2011). Clearly, exploring sensitive topics of this nature is not well suited to formal interview situations. But that does not mean that researchers should ignore the hidden spaces of power within which policy can be (mis) enacted. We propose that ethnographic methods may be better suited to uncover how practitioners creatively bend and appropriate governmental policies and techniques, the extent to which government officials and policy-makers are aware of such deviance and, in particular, the interplay between CSO practitioners and government officials in shaping these hidden spaces. In essence, who writes the rules of the game? Clearly, we have much to learn from attending to the different ways in which governmental techniques are used and abused in the realm of practice, how they are used either strategically or tactically to realize different interests and motives, and what this means for public value.

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