

CONSTRUCTING PUBLIC SERVICES – EUROPEAN APPROACH

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Our research aim is to study how the new service-oriented approach is socially constructed in the practices of public services and which role identity formulation plays in the construction process. From the service science point of view, we present three different generations of service thinking. The differences between these generations lie in the nature of services and in the ways in which the service system should be developed, and what kind of learning processes each service reform contains. Third generation services are constantly developing interactive processes where learning is based on local knowledge and experiences. They follow the logic of open systems theory. Our second task is to present the conceptual framework for understanding public services as knowledge creation processes. Our empirical task is to do a qualitative analysis based on a sample of interviews among social and health service managers and experts in four European cities (Barcelona, Den Bosch, Glasgow, Greater London area). The focus is in the importance of identity: how it develops in the service reform processes. The key results in qualitative analysis show that interviewees stress identity being one of the key elements developing in new process-like services where professional approach is integrated with knowledge of clients and communities. Street level bureaucrats' open approach in connection with active role of service users results to unique solutions in service delivery. Shared identity developed in a reform process constitutes a key element in this kind of public services.

Keywords: *Construction, Public services, service integration, identity.*

Introduction

In many countries one of the most significant trends of change concerning the public sector has involved services and their concept (Hartley & Skletcher 2008). This has been described as transfer from production-oriented to service-oriented approach (Osborne 2009). It has not been just a question of developing the services but in a wider sense of how, for example, cities and regions organize their operations with respect to civil society.

There are several underlying reasons for the changes in services. Straitened economic circumstances together with technological progress have offered novel ways to realize

services. The needs and expectations of citizens and service users have changed. Users have, for instance, higher levels of education and they demand personal service (e.g. Pasquier & Villeneuve 2012). This has created a new kind of operating environment for learning and intelligent public organizations (Virtanen, Stenvall & Kinder 2014). The question is no longer what the service users – such as pupils and their parents – can learn from the public sector, but also what public organisations can learn from them, or how public organizations can utilize intelligent solutions to create conditions for personal learning among the service users. This kind of services can be called as

third generation services (Harisalo 2013; Laitinen & Stenvall 2014).

In this article, we discuss the social construction of the third generation public services and the way in which this is influenced by the theoretical concept of public services and the theory-in-use (see Brunsson & Sahlin-Andersson 2000; Argyris & Schön 1974). Our research aim is to study how the new service-oriented approach is socially constructed in the practices of public services and what role does identity formulation play in the construction process.

Our hypothesis is that knowledge is an essential element in the construction of the identity of third generation services. Several studies have concentrated on issues related to how organization sciences, practices, knowledge, and constructing are linked together (Gergen 1994; Gergen & Gergen 2004; Damargo-Borges & Rasera 2013).

Our article is a qualitative study with a special focus on the third generation services implemented in social and health care systems. The research material consists of interviews from cities and regions in several different countries, such as Barcelona, Glasgow, Den Bosch, and the Greater London area. The material has been gathered from service development projects in which the aim has been to shift over to services with the customer in the centre.

Three Generations of Service Science

In our view, service thinking can be divided into three generations and they can be analysed and defined using the framework presented by Risto Harisalo (cf. Harisalo 2013, 51). The differences between these generations lie not only in concepts of the nature of services but also in the ways in which the service system should be developed, and what kind of learning processes each reform contains.

The first generation of service science concentrated primarily on single public services and service sectors. The objective was to understand the laws governing certain services, such as design services or health care and social services. Services were organised identifying the customers' needs, but largely with a production-oriented approach.

From the perspective of the public sector, the first generation services included the view that each service constitutes an independent unit or a sector that must be examined from its internal conditions and circumstances. In these models, each sector has its own professionally trained staff. Professionalism is strong in many public service sectors – a central feature of the first generation service science is hierarchy. Services are organised with a production-oriented approach, top-down. Legally supported professional conditions define how services are produced and for whom. The laws governing services are context-dependent, and the operating logic of one service sector – such as health care services – cannot be transplanted to another sector.

The second generation service science aimed at comprehensive organising, arranging services in order to solve each customer's problems. This carries the notion that sectorally organised service systems operate with too narrow views in solving the problems their customers have.

The second generation service science regards service models as solutions to the customers' problems (e.g. Rummer & Branche 1990). Often these solutions are even tailor-made to the customer. This means that the connections between

products and services are understood (Normann 1995). Therefore, a service can, for instance, include consultation and a solution based on technology.

Similarly, second generation services emphasize operational integration. This means that customers – or clients – might be provided with services being processes collaboratively produced by several groups of professionals. This directs focus to the information and skills necessary for integrating functionally separated services. Operating across organisational borders acts as a central catalyst for learning (Kinder 2000). The second generation service science stresses a comprehensive approach to services, because several factors are simultaneously affecting the ability to produce them appropriately. Therefore, the organisation of the service system focuses on issues such as structures, culture, processes, and cooperation.

Services of the third generation are based on the view that services shall be organised according to what is outlined for open systemic thinking (Chesbrough 2003; Prahalad & Ramaswamy 2004). From this perspective, services are constantly developing interactive processes, where reformation and learning are based on information, experience, and in-process learning, regarding the realization of services as well as the planning of service processes. In third generation services it is, thus, possible to apply the methods of learning by experience and learning by doing (Cf. e.g. Argyris 1977; Kolb 1984).

Third generation services employ such concepts as co-production and co-creation. The former refers to services being implemented and their contents defined together with the customer (Bovarid 2007; Needman 2008; Pestoff & Brandsen 2010). Co-creation, on the other hand, refers to planning the services together with the customers (Chathoth et al. 2013; Grönroos & Voima 2011; Vargo et al. 2008). Today, many services are developed in the spirit of open innovation paradigm. Motivational issues are key issues for the development of new services for service innovations. User-driven innovations are needed more and more (Meyer & Schwager 2007, Santonen, Kaivo-oja, & Antikainen 2011). Technological solutions are also a part of third generation services. Especially ubiquitous technologies are having big impacts on the development of third generation services (Kristensson et al. 2008, Kaivo-oja 2013). The use of technology enables, for instance, the transfer of information, the involvement of customers into services, and the production of interactive information.

Constructing, knowledge, and identity in public services – conceptual framework

For nearly 20 years there has been burgeoning recognition among organizational researchers that organization identity provides a promising framework for understanding organizations (Blader et al. 2012). The discussion on identity is important in organizations that have people with several kinds of professional backgrounds. The challenge is to create a shared identity in the new organization environment (Blader et al. 2012). From this point of view, the constructing of third generation services is promising in new social and health care organizations aiming at integrating the activities of several professional groups.

It is not clear what the concept of identity means in practice (see for instance Asford & Fred 1989; Blader et al

2012; Shultz et al 2013; Ravazi & Shultz 2006. Kodein & Greenwood 2014). There is no consensus about an exact definition of the concept of identity in the literature, nor is there any precise agreement on the dimensions of identity. In other words, identity is an elastic concept.

From the construction perspective, identity is considered here representing the entity's central, enduring and distinctive properties (Jian 2011, 49). The concept of organizational identity emphasizes autonomy, boundaries and collective resources as basic characteristics of given entity. Identity also contains the idea of something possessing special characteristics while being a part of a highly general category, like a service system. (Brunsson and Shalin-Andersson 2000, 59; Alvesson et al. 2008.)

In the identity process, we try to find answers to the following questions. Firstly, we have to ask who we are (Run & Golden 2011). Secondly, we ask why are we different compared with other organizations. In this context, discussions on identity are about insider-outsider aspects and about inclusion and exclusion as well (Gioia et al. 2010). In construction process – like that of construction of third generation services – people try to recognize unique aspects of given organization and its practices.

In the construction process people create identity by defining boundaries (Santos and Eisenhardt 2006). The boundary theory addresses how individuals and collectives form and shape boundaries in order to categorize and simplify stimuli. Boundaries create perimeters for a given domain, such as “service” and “system” (Ashforth et al., 2000 Knapp et al. 2013). As advanced by organizational scholars, the boundary theory focuses on, for instance, how people and organizations enact boundaries.

The constructing of organizational practices is a comprehensive process. It is obvious that reforming public services links identity, working practices and knowledge strongly together. As new structures and working arrangements are created, employees are normally required to form new kinds of activities. Such changes rearrange the existing order modifying the ways in which these are differentiated from practices in other organizations and systems. These processes define new boundaries altering the ways in which people relate to each other (Paulsen 2003).

Constructionism emphasizes the contextual value of knowledge production and its practices. It claims the need of involvement and collaboration of those who will use the knowledge (Camargo-Borges & Rosera 2013, 2–3). According to this, it is possible to make the hypothesis that the construction of third generation services is a localized and contextual process. The constructionist theory is very sensitive to changes generating new forms of practices, identity and knowledge.

Data and method

The research material has been collected in the cities of Barcelona, Den Bosch, Glasgow, and the Greater London area. The choice of the target cities was affected by reform-oriented thinking, with respect to their integrated social and health services and the related new service models.

In the cities mentioned above, numerous people were interviewed, both individually and in groups; all in all, there were 100 informants. Each personal interview lasted an

hour, while the group interviews took 90 minutes each. The interviews were conducted in a semi-structured manner. All site visits and interviews were conducted between May and August 2012. In each city, the interviewees represented two distinct groups of professionals, the senior management of social and health services and, secondly, leading experts. In the autumn 2012, after the interviews, discussions on the subject were arranged through detailed questions and supplementary material delivered via e-mail. The interviews were transcribed and analysed in the autumn in 2012.

As a part of the methodological triangulation, literary material in each target city was used along with interviews and observations. The researchers also endeavoured to pay attention to what was not included in the documentation and other written material, or what people did not want to include in it (Laitinen 2009). This documentation was used as complementary material.

The documentation gathered in the target cities included plans, reports, reviews, assessments, and studies of services and their integration. A need for developing models of operation was identified as the common premise for the cities chosen for the comparison – their aim has been to reduce bureaucracy, increase effectiveness, and make the production of value in collaboration with the customer more efficient than before.

Constructionist methodology has affected how we have analysed our data. Empirical method is not understood here as conveying the correct knowledge about reality, but as a phenomenon defined and studied with a help of specific theory and its methods. The results of a systematic observation of reality are a priori circumscribed by the theory used. The constructionist invitation is to comprehend how adopted aspects of the world are socially structured, thereby opening up space for a variety of alternative intelligibilities. Methodologically, the challenge is not so much in giving the correct interpretation of the phenomenon as in broadening the possibilities of understanding (see for instance Camargo-Borges and Rosera 2013, 2–3; McNamee and Hosking, 2012).

Identity – we do it differently

On the basis of the data, it is obvious that people implementing third generation services stress the importance of identity creation. The interviewees used the terms “new” and “old”, the “previous services” and the “existing services”. They emphasized the uniqueness of new services. They compare their services to other public services. Ways of thinking among the interviewees reveal that they consider themselves as primary movers in public services. The interviewees also find third generation services as a sort of revolution in the public service system.

So, if we were to ask people using our services what the difference is, they would say it's the fact that they tend to have one care coordinator. They no longer have multiple assessments. They may still have some specialist assessments, but we've significantly reduced that.

From the perspective of knowledge, the ideology – we do it differently – is connected with learning from experience (see Schön 1983). As an interviewee put it: “We discovered it was actually something quite unusual going on”.

Actually, on the basis of experience, many interviewees have seen that the world has changed and that is why it is

very important to work differently. This does not just concern practices but the mind-set of services as well. This is the way of thinking that Argyris (1978) has called double loop learning.

Identity – we do it differently – does not concern the practices of public services only. Many of the interviewees see that change processes towards third generation services are very different compared with change processes in traditional service systems. They argue that third generation services should be developed with a bottom-up approach instead of top-down.

Bottom-up processes create new kind of knowledge for public services. Knowledge becomes contextual, depending on actors, communities, working practices etc. In our data, many interviewees emphasize knowledge they have gained during the developing process. This is in accordance with postmodern organization philosophy (see e.g. Gergen 1994) stressing local context and interaction processes in knowledge creation.

Professional identity and working practices

There are strong connections between professional identity, boundaries, and organizational identity. The possessions of professions are typically based on knowledge, which creates autonomy and boundaries in relations to other professions. Some interviewees consider that one purpose of the construction of services is to create conditions for using professional knowledge:

But one of the problems with this model is that people feel quite afraid of doing this bit in the middle, because they are thinking “ I’m not a social worker, if something goes wrong, it’s me...”, so they are quite frightened of doing this work.”

Hence, it seems on the basis of the data that the working culture is changing heavily in third generation services. This might weaken the boundaries within organizations but perhaps produce boundaries between organizations. The viewpoint is that professional workers produce knowledge together within organizations. In this respect, there may be differences between organizations.

Because we’ve got the same values we say to staff we don’t want people fighting over service users – if they need a service, deliver it and we’ll worry about who will pay as we’ll sort it out, if you can’t. And over the years, less come to us because that culture is getting sorted out at the Head of Service Level. Team Managers sometimes still have a bit of that’s mine and that’s yours, but that’s breaking down.

This is well-being and the different disciplines, care, and well-being, we bring them together to have that holistic view.

Cure, care and welfare were very isolated structures in services and we thought it was more cost efficient and better for the care as a whole that they start working together more.

Professional identities may change within organizations in the third generation services. This is the outcome of collaborative working practices. The boundaries between professions are not so clear any more.

Single interviewees took up the consideration that professional identity should be based on the ideology that people are good in finding solutions together for practical problems or phenomena. This means that the contextual

knowledge of services is especially important for professional identity.

We created some roles which were very much like a health & social care worker. In mental health, instead of having social workers, community psychiatric nurses, and occupational therapists we created mental health practitioners.

And the social workers also know a lot of things outside nursing, caring, health things.

Now we are trying to build a network to assist this group of families.

To sum it up, professional identity, organizational identity, and contextual aspects go hand in hand in third generation services. The construction of services is based on traditional professional knowledge, a framework of collaboration, and localized knowledge.

Clients and communities

Clients and communities are important in third service generation. The identity of services is based on an open system approach. The system is open not only for professional knowledge but for the viewpoints coming from service users and the community as well. The construction process of services is happening through the interaction of different kinds of actors. Many interviewees argued that it is just open approach that gives uniqueness to the services they deliver.

Services are also constructed employing the idea that service users are in the centre. The purpose is to create a holistic approach for handling service users’ problems. This requires a multi-professional approach. The service users’ problems are unique and none of the professions have sufficient knowledge by themselves. Many interviewees emphasize again that the central role of service users is what makes third generation services different from the “old” services.

New kinds of practices have been developed to be a part of the third generation service ideology. These have strengthened the position of service-users in these systems. Especially co-productive practices have given an active role for service-users. These kinds of practices have an effect on professional identity. Co-production also means that professional servants understand that they do not have all knowledge of the situation of service-users.

But the client is in the centre. He has to confirm the possibilities, he is the owner of his own problem and information, and he is the boss of who is going to care for him in the end. The director. But the supporting carers are the inner circle for the clients, but you also have an outer circle. Like an onion – peeling the onion.

We try to put the client in the centre and then the professionals around them.

In many cases, knowledge accumulated in the community (and its networks) is crucial for services. There are connections between knowledge of service users and of the community. There is knowledge concerning service users in the communities. For this reason, professional workers need the ability to work in collaboration with the people around the service-users:

People are living – they are not just patients. They are part of the neighbourhood, a family, and you have to look at all those different things.

Contextual knowledge is meaningful in third generation services. This makes services not only unique but useful for

the community. Some interviewees paid attention to local conditions which have affected constructing of services. As open systems, services might influence their environment by creating local identity.

Identity has grown. And we sometimes referred to it as being an island. The area looks inward a bit, it doesn't relate particularly well to its neighbours

Third generation services are constructed by localized identities and knowledge. It is possible that a local service system is very different compared to service systems in other areas. In the local context, the ideology of third generation services decreases the boundaries between servants, service-users, and the community.

Conclusions

In this article we have analysed how the construction of third generation services is connected with organization identity. Public service organizations try to create a unique mind-set for their activities. This creates an identity that is different compared with previous services.

Knowledge is an essential element in the constructing of identity. The following forms of knowledge are extremely important in the construction of third generation services: (1) holistic multi-professional knowledge, (2) knowledge of the service-users, and (3) community based knowledge. The purpose is to create conditions in which there are prerequisites for the utilization and production of professional and individualized service-user knowledge.

It seems that constructing third generation services is produced by contextual knowledge. Due to this, the local – learning by doing – process is meaningful in the construction of services. Typically the process decreases boundaries between local actors and produces a common framework for working with service users.

Local and contextual identity means that it is difficult to produce generalized detailed understanding of the characteristics of third generation services. The reality is relative. Services are constructed uniquely depending on the conditions. The philosophy of third generation services is based on the way of thinking of post-modern organization.

Hence we argue that it is, for instance, possible to produce knowledge on which kind of identity and contextual ideology are affected in service development. It is important to concentrate on the issue of what kind of local and contextual factors construct the developing process of services.

Our main point is that third generation services should be analysed differently. The mainstream in the literature on public services has top-down perspective. Many researchers have concentrated on the issue of how a general approach – like ideology of public governance – is affecting public services (Osborne 2006; Osborne et al. 2013; Virtanen, Stenvall and Kinder 2014). Local and contextual learning processes are important in third generation services. The construction of identity and knowledge is an ongoing process in third generation services produced through local, human interaction.

According to our data, local actors – like street level bureaucrats – make the essential choices concerning public service policies (see Lipsky 1980; Tuurnas, Stenvall et al. 2014). For this reason, we should analyse third generation services using the bottom-up perspective. We should also pay attention to how local and contextual solutions are constructed in the general approach of services in policy context.

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