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# Leadership and Structure in the Co-production of Public Services

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## **Abstract**

This paper aims to initiate a debate about the utility of the concept of co-production in developing a better understanding of contemporary challenges to leadership and management in the provision of public services. The central argument made here is twofold: First, leadership must be shared to some extent for co-production to take effect, which supports current conceptual developments but also points to the need to focus future research more on relational dynamics and on institutional structures. Second, to develop models of leadership which reflect the nature of the co-production process, institutional concepts based on hybridity and blurred boundaries are likely to provide a useful starting point.

## **Context**

Contemporary socio-economic challenges propel public service reforms into uncharted territory. Many European governments experiment with changes to governance and institutional structures with the aim of generating efficiencies and costs (Osborne 2010). One consequence of this is a blurring of organizational boundaries and purposes (Billis 2010). The blurring of organizational boundaries and its implications for public service provision has been discussed for some time, in particular in relation to third sector organisations (Brandsen et al. 2005; Evers and Laville 2004). Brandsen and Pestoff (2008) suggested that public sector agencies are increasingly drawn into co-producing relationships to provide services as a result of these institutional change processes. The growing body of research and analysis which integrates the concept of co-production with policy, organizational and managerial concepts shows that scholars from diverse disciplines are beginning to embrace co-production as a useful conceptual framework for the study of public services (Pestoff et al. 2012).

## **The concept of Co-production**

The idea of sharing the burden of service provision with citizens is not new. In the early 1970s - an era of severe budgetary constraints in the United States - a number of scholars explored the provision of urban services and came to the conclusion that most of these were not produced by a single public authority but depended on the contribution of a range of actors, citizens, charities and private sector organisations (Ostrom 1975). The term 'co-production' was created to refer to a relationship between a public servant, as a 'regular producer' and their clients, the citizens who make a contribution to creating safer or cleaner neighbourhoods or become healthier or better educated citizens (Brandsen and Pestoff 2008 for a good overview ).

The concept caught the imagination of scholars around the world in the 1980s who suggested that co-production in areas such as health care, policing, or the management of open spaces could improve service quality and reduce governmental spending at the same time (Brudney and England 1983; Levine 1984, 1985; Parks et al. 1981). Such arguments are being revived at present. Recent examples of policy areas where co-production is seen to add benefits include community safety (Marshall 2004), childcare (Pestoff 2006), social housing (Bovaird and Loeffler 2007; Needham 2007), unemployment (Alford 2009) health (Gillard et al. 2010), charitable giving (Jung 2009) and new media (Meijer 2011). The latest development in collecting and systematizing research on this topic, and by doing so contributing to debates about the new public governance, is the volume by Pestoff, Brandsen and Verschuere (2012) who distinguish between co-production, co-management and co-governance:

- *Co-production* refers to an arrangement where citizens produce, at least in part, the services they use themselves. This can be with or without direct involvement of government officials but must include public finances.
- *Co-management* refers to a situation where different organisations work alongside each other to co-ordinate the delivery of a service. For co-management to occur, individual actors use their respective resources to directly contribute in practical ways to the delivery of a service.
- *Co-governance* is about actors from different organisations and sectors coming together to determine policy priorities and to translate these into strategic plans for public services (Pestoff, 2012, p.18).

This paper is concerned with co-production, meaning a situation where there is direct citizen participation in the delivery of a publicly financed service. In the current context of

unprecedented budgetary austerity, together with a rapidly changing socio-economic environment, it is of critical importance to assess the extent to which co-production provides a robust conceptual framework for the exploration of contemporary challenges faced by organizations responsible for the provision of public services. In this paper we will focus on issues concerned with structure and leadership which are central to debates about public service provision.

### **Structure and Co-production**

Much of the UK government's attempts at reforming public services over the past 30 years or so was driven by a perceived need to change organisational structures. Currie and Lockett (2011) suggest that the UK is a 'fast mover' in terms of changing institutions where politicians together with government officials have demonstrated astounding creativity in developing structures and processes that allowed them to draw on the resources of citizens as well as non-governmental organisations. Despite a plethora of such initiatives, the literature is full of examples pointing to deep barriers which work against the effective engagement of non-governmental stakeholders, particularly those from civil society and third sector organisations (Seitanidi 2010). The dismantling of partnership structures, which we are currently witnessing in the UK, might reflect a belief that collaborations across institutional boundaries have done little to improve service provision, and the headlong dash for outsourcing and commissioning exposes a profound lack of conceptually robust and innovative alternatives. Co-production offers a fresh perspective in this debate, but more work is required to develop viable alternative models of service provision, in particular with regard to institutional structures. For example, contemporary accounts of collaborative service delivery suggest that co-production might depend on, or possibly create, network structures (see for example: Bovaird and Löffler 2012; Meijer 2012; Porter 2012), but the most recent theoretical developments on the co-production of public services say little about the organizational structures that might be best suited to facilitated co-production.

Furthermore, co-production as collective action between government funded officials and citizens, or governmental and non-governmental organizations, would appear to require a space 'outside' government controlled institutions, or at least a space that can be 'shared' by different actors to create an environment where different actors can contribute their knowledge and resources to the co-production of tangible services. In the absence of a neutral 'shared' space for actors to co-produce services, the organization hosting the co-production of a service is likely to have an advantage in being able to lead the process in ways which reflect organizational or personal priorities. Tensions that arise when different organizations collaborate to provide services are well documented and point to the pivotal role that organizational structures play in the process (Harris 2010; Huxham and Vangen 2005). Hence questions about the locus of co-production are of critical importance: Is it public agencies which are 'hosting' the co-production process and are therefore perceived as deriving direct benefit from the resources citizens contribute? Is it TSOs who benefit from the input of co-producing public servants? Or is there the possibility of a space outside such organisations where co-production becomes what the theory suggest, a mutually shared process which demonstrates that both parties benefit? Concepts around the 'blurring' of organizational and sectoral boundaries might offer a useful starting point to explore how 'hybrid organisations' might create shared spaces in which co-production can take place.

### **Leadership and Co-production**

The concept of co-production is based on notions of participation, engagement and empowerment (Bolden 2011) and therefore leans towards theories of collective or 'distributed' leadership. Concepts of distributed leadership support the argument that leadership can no longer be perceived as being primarily the role of an individual because it is inherently emergent and reliant on a range of actors who continuously negotiate collective action. Suggestions that there is only limited 'sharing' of leadership and a tendency to assume control of and manage partnerships in ways which deliver desired service or

performance outcomes (Currie et al. 2009; Currie et al. 2011) point to the need for a different conceptualisation of leadership in the public sector if more collaborative forms of services provision are intended (Grint 2005; Lawler 2007).

A recent special issue of the *International Journal of Management Reviews* deals exclusively with distributed leadership and the editors suggest that "...leadership is now moving to a form that is able to cope with collective endeavor, where individuals can contribute to the establishment and development of a common purpose..." (Thorpe et al. 2011, p.240). From this perspective, relational dynamics rather than organizational structures appear to be the important variables that facilitate co-production. This leads to questions about the nature of leadership in the co-production of public services: Can there be a 'leader' in the co-production process? Given that distributed leadership implies 'the dynamic interaction of leader, followers and the situation' (Spillane 2006) can government officials discharge their responsibility and accountability for public resources in co-production situations? A related question is that of power which is axiomatic of leadership in any context (Jackson and Parry 2011) and closely related to questions of control over organizational resources and processes: Can power be negotiated and shared between public officials and citizens in a co-production relationship?

### **Implications for further research**

Contemporary perspectives on leadership advance the argument that resources, power and information need to be shared collaboratively between people, across hierarchies and organisations in order to cope with the ambiguities and tensions that arise from rapid and persistent change. A co-production perspective on the provision of public services brings into focus questions about how leadership can be shared between officials and citizens and what purpose organizational structures play in this process. This would suggest that the starting

point for inquiry should be the interactions between public officials and citizens, rather than the institutional structures in which they operate.

Much of the literature on structure, power and leadership in relation to the provision of public services takes the institution as its starting point to explore how service provision could be improved. This paper suggests that a different point of departure, namely the concept of co-production, is likely to generate fresh perspectives on how citizens and public servants could collaborate more effectively. Research questions that would support the advancement of citizens' engagement, for example, might include: To what extent can leadership be shared between public officials and citizens in the provision of public services? What is the nature of institutional structure in which such a sharing of leadership, and with this a sharing of power and accountability, takes place? In addition future research should begin to systematize the rapidly growing number of accounts in which co-production is observed, which could include the analysis of incidents where leadership and structure foster or hinder the co-production of public services.

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