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Do Accountabilities Change When Public Organisations Transform to Service Systems?

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Abstract

In this conceptual paper we discuss from the service systems perspective how accountabilities differ from a hierarchic and organisational perspective within the domain of New Public Management, looking to shed new light upon accountability as a research topic. The concept of service systems and their accountabilities are scrutinized and the role of integrated social and health care services are discussed in particular. The main argument in the text is the changing nature of accountabilities as the public organisations are being transformed into service systems. To date, the understanding of accountability has remained structural by nature – such is the case also for productivity measurement – but the shift from organisations towards services systems means that accountability ought to be considered as processual by nature. By processual it is meant that accountability should be considered as flows within systems – that is: flows between agents the content of which we argue includes not only knowledge on the outputs of public services, but also values, empathy and thus multi-layered understanding of accountability. The paper concludes with practical insights for managerial purposes on the basis for this accountability shift.

Key words: New Public Management, New Public Governance, Service System, Service User, Processual Accountability.

1　Introduction

This conceptual paper explores how accountabilities differ between a hierarchic and organisational perspective within the domain of New Public Management (NPM) and a service systems perspective seeking to shed new light upon accountability as a research topic. Following Osborne *et al*'s (2013) argument: NPM focuses on the input/output relationship i.e. efficiency; whereas new public governances (NPG) focuses on the relationships in service design and delivery: effectiveness, which is close to Vargo and Lusch's (2004) service-dominant logic (SDL). Since NPG services are co-produced with users, the service manager's relationships involve not only employed staff and networked contributors; they also involve focusing the contributions of service users in systems delivering the users' personalised service needs. The services-as-a-system perspective therefore introduces closer relationships over design and delivery between managers, providing professionals and users, creating new forms of accountability. This is so since (a) personalised service design (including users) means that local services user expectations vary and hence accountability criteria vary, and (b) from Normann's (2002) services management perspective accountabilities include the subjective assessment by users of service effectiveness, in addition to objective quantitative outcome factors. Adopting a service systems perspective allows us to view accountability as a *processual* flows within systems; flows between agents the content of which we argue includes knowledge, value, empathy and accountability. Our contribution is then to examine accountability as a flow within an integrated local service system, placing users and front-line middle managers at the centre of the service system. Attention then moves from governance *structures* to accountability *processual flows* for which we suggest a new analytical framework.

Like much institutional change, new rules and ways of seeing the world emerge from interactions between agents pursuing improvement and old institutions guiding actions, which we think of as North's rules, DiMaggio and Powell's (1983) logic and Archer's (xxx) active agency. Osborne's (2010) work shows that in a variety of contexts, a variety of drivers fuel shifts from NPM to NPG: drivers such as austerity, service personalisation, pressures for service integration and co-production of services. Service systems as a type

of NPG in local public services may not then be a consciously-adopted 'big' strategic change, rather they are evolving practice.

We use this framework to consider conundrums in the research literature, looking for new insights by adopting the service systems perspective. For example, is Behn's (2001) 360-degree accountability more clearly exercised by middle managers adopting the service systems perspective? We ask: does the perspective offer an alternative to structural and linear approaches to accountability, such as Schliemann's (2011)? Pollitt and Bouckaert (2004) point out that empowering middle managers in devolved delivery systems whilst at the same time empowering users, may result in diminution of middle managers' influences, resulting in Strawson's (1966) *responsibility ascription*. Does the service systems perspective help understanding of this seeming contradiction? Can the service systems framework easily accommodate wider (local democratic) footprints of accountability such as Behn's (2001) *citizenry as a whole* and, for instance, the localism of the Nordic public sector? If risk and professional identity and pride sometimes conflict, as Moore (1995) and Sennett (2003) suggest, can such conflicts be better understood by placing front-line managers and users at the centre of service provision and accountability?

Using our new framework, we are also able to comment on some general issues in the literature, such as Held's (2006) argument on the extent to which accountability is situated in systems that are nationally and professionally regulated and Koppell's (2005) warning on *multiple accountability disorder* – do service systems ameliorate or exacerbate the disorder? If in service systems managers take on new remits, roles, responsibilities and relationships as (Memon and Kinder 2014) argue, do these changes make accountability easier or more difficult? Leutz (1999) argues that *integration costs before it pays*: does the integrated service systems perspective help focus attention on the return on a system investment in the form of action learning and innovation? A final point from the literature to which the service systems perspective may shed light is Bardach's (1998) view that all accountability trades-off between access and equity, effectiveness and efficiency, and standards and personalisation: does viewing integrated services as systems result in users and managers trading-off between these irreconcilable opposites easier or can some of the

irreconcilabilities be reconciled? If our new framework helps understanding of local service integration, what are the implications for the system's parent organisations, we argue with Virtanen and Stenvall, (2014) and Virtanen *et al* (2014) that their role alters into becoming more *intelligent organisations:* carefully aligning with the dynamic service environment and building staff capacity to continually learn and adapt.

Centring co-producing users (including informal carers) in services that are also delivered by a consortium of public, private and third-sectors agents (including networks) invites a new perspective on local service design and delivery: the service system (including individual users and organisations) replaces organisations as the unit of analysis for local public services. This change of perspective does not mean that organisations (public, private or voluntary) are not important to the service, nor that networks or organisations do not continue playing a role, the service systems perspective simply means that *from the point of view of the user and front line managers at the centre of the service system* organisational boundaries and structures lessen in importance relative to the service system.

Our contribution fleshes-out the NPG approach by examining new accountabilities, pivotal to which are users and their relationships with providers. Most accountability research takes organisations or networks of organisations as the unit of account. This is understandable since organisations are legally constituted and recipients of taxpayer funds. Our paper draws attention to accountability of service systems that include organisational and non-organisational agents. We illustrate our argument with examples from Finnish and Scottish integrated primary health and social care service systems, noting that our approach sidesteps some of the issues arising when service integration is conflated with organisational merger (Thistlethwaite, 2004) or coordination (Huxham, 1990).

2   Contextual background: NPM, NPG and Public Services

This conceptual article contributes to a lengthy line of literature on local health and social care integration and its accountabilities, prominent in which is the work of Bardach (1998) and Leutz (2005). It begins with the premise that NPM gained traction as part of neoliberal

ideology and seeks to hollow-out the state, reducing state spending, often disguised as modernisation and best practice transfer. Our view is that NPM was never fit-for-purpose as a toolkit for public services. In this we agree with Lapsley's (2009) complexity critique of NPM, Pollitt and Bouckaert's (2004) policy criticisms and Osborne's (2010) criticism from a new governances perspective.

This alternative NPG perspective (Radnor *et al* 2014) associates with the idea of services management (Normann, 2002) and a SDL approach to public services (Grönroos, 2007; Vargo et al., 2008), particularly were services such as health and social care are being integrated and personalised. An essential condition of the SDL approach is placing the user as a co-producer and co-designer of the service local services being delivered by a consortium of organisational and non-organisational agents. NPM encourages local public services organisations to develop service networks rather than simply deliver using public sector hierarchies aiming to transfer *better* private sector practices into public services. Managers of hierarchies thus shifted to become managers in intra- and inter-organisational networks.

Potential benefits from networking include lower transaction costs (Williamson 1985) precisely because networks are loosely coupled (Castells 2002), have porous boundaries (relatively easy entry and exit) and causal relationships negotiated by participating agents, (for example, contracting a cleaning firm to clean hospitals or elderly peoples' homes). Networks can be useful forums for policy development (Bovaird, 2007) or R&D (Toumi, 2002); we however are focusing on integrated service delivery. As Orton and Weick (1990) show, coupling in systems is making use of knowledge possessed by other system elements, there is little inter-dependency, whereas in close-coupling presumes that system elements have shared purpose to achieve which they closely-couple. The service system is one of the emergent forms of NPG as Memon and Kinder (2015; 2015a) illustrate.

Service management, as Normann (2002) argues, views services as having four characteristics: intangibility, consumption at the point of creation, they are subjectively experienced by users and co-produced. Co-production is important to services for two

reasons. Firstly, effectiveness – in negotiating exactly what package of services is required and helping to deliver them, the user becomes an agent with the service delivery system, ensuring her needs are met, exactly. Secondly, since both user and provider engage in action learning during service provision, where providers are open to innovative ideas (Chesbrough, 2006) co-production supports co-design i.e. continuous improvement of services and periodic radical innovations. Not all services have powerful feedback learning loops and not all providers engage in double-loop learning i.e. alter processes and structures to suit innovation. Middle (or service) managers are overseeing delivery and are proximate to users: Hupe and Hill's (2007) street-level bureaucrats.

We do not see a clear shift from NPM to NPG and SDL in the public services; rather, as far as we are concerned, there is a tendential change, especially in those services seeking to integrate such as health and social care. Perhaps this is because the resources fault-line is so sharp: investment from social services creating savings for the healthcare budget holder. Hence the reason that accountability is so central a part of service system integration.

Next we discuss how with co-production and users at the centre of locally integrated health and social care service systems, accountability begins to look different.

3   The Concept of Integrated Public Services

Training health and social care professionals completely separately and organising them in separate departments, referencing separate professional bodies Rhodes and Shiel (2007) note, is not a recipe for close cross-disciplinary working. NPM strategy implementation, involves gathering/creating an appropriate set of competences, which in standard operating procedures deliver outputs. This is a goods-dominant logic (GDL) approach according to Vargo and Lusch (2008) i.e. akin to manufacturing product rather than delivering services. According to Memon *et al* (2016) fitting people into a pre-determined set of competences is one of the main criticisms of NPM as an approach de-professionalising health and social care. New ways-of-working, new enactments require new ways of analysing organisations and organising.

Along with Kernaghan (2000) we are sceptical of a universal shift from bureaucratic to post-bureaucratic forms of organisations, though we note he fails to specify team-working as a key component. Since Tversky and Kahneman (1981) we have understood how important problem framing is. We agree with Weick (1979) that framing research around organisations given their equivocality and diversity (Czarniawska-Joerges (1992) is less useful than thinking about *organising*, in our case as service systems. Nevertheless, autonomous organisations continue in public services as the repositories of resources and statutory rights and duties.

Various influences are cumulatively causing changes in organisational design. From the 1980s labour process debates on the switch from industrial relation to human resources management Clark (1993) and Storey (1994) pointed out the flattening of organisations and devolving of responsibility. Authors in the Japanisation debate (Oliver and Williamson 1992) and research on leadership (Bryson and Crosby, 1992) emphasise the use of teams and their empowerment. Recent literature on distributed leadership such as Spillane et al. (2004) and Gronn (2008) stresses the benefits of top-management acting consensually, though as Adams and Balfour (1998) argue responsibility without power to alter outcomes can become *administrative evil*. The point is that this trajectory of organisational design is occurring in organisations whether or not they integrate services or adopt a SDL service-systems approach and it has important implications for middle managers and their accountability.

Child and McGrath (2001) argue that NPM poses four organisational challenges to local public sector bureaucracy: collaboration and interdependency, separation of asset ownership from performance outcomes, the adoption of private sector business practices and the redistribution of power down organisations (from back to front office) to where knowledge is located. As Morris and Farrell (2007) point out, (unlike Kernagham 2000) implicit in delayering is team-working, distributed leadership style, value function deployment, creating and new remits, roles, responsibilities and relationships for middle managers.

In integrated local social and healthcare services the *remit* of middle managers alters significantly. Note we use the word remit here as an English noun meaning area of activity. In an integrated setting the front-line managers is likely to be coordinating cross-disciplinary teams, interfacing with users and negotiating re-design ideas with users, providers and senior management. However distributed power and responsibility become, this cannot disburden the middle manager of *responsibility*; the acceptance of obligations to deliver, holding others to account, enabling and supporting team-building and performing. However profound, what Milgram (1963) terms the *agentic shift* managers retain responsibility, in this case for people, resources and the service system, including outcomes effectively meeting user needs.

Middle manager *roles* in a service system involve permissions, activities and protocols (Zambonelli et al., 2003) wider than those in hierarchy and more focused than those in networks. In essence, service system brings about a new set of *relationships* and identity for middle managers requiring self-awareness and the ability to use the strengths of others exercising authority and goal-driven involvement rather than command and control. Middle managers themselves and those they manage in service systems will continually be altering their ways-of-working to implement incremental and radical improvements. Since service systems include users and their co-production and co-design, the middle manager's remits, roles, responsibilities and relationships centre around the effectiveness of the services from the user viewpoint, acknowledging at times the need to ration access and always the need (especially in austerity) to also work efficiently. As Memon et al. (2014) point out, existing management training and development processes and structure are ill-fitted to preparing middle managers for the remits, roles, responsibilities and relationships required in integrated service systems a key issue in the accountability of the senior management to middle managers.

Since public service organisations such as municipalities play such an important social role and as budget holders form an important part of the accountability of the public sector for

how taxes are spent, however much services are locally integrated into service systems, these organisations will continue to exist.

Virtanen, Stenvall and Laitinen (2014) suggest one way of thinking about the changing position of municipalities: the *intelligent organisation*. This idea is metaphoric rather than imputing anthropomorphic attributes to a social construction. It suggests that local public sector organisations can become more aligned to their service and democratic environment than either hierarchy or networks by accepting a wider accountability footprint (the Nordic participative design might be an example) and demonstrating commitment to staff and service users by investing in the remits, roles, responsibilities and relationships necessary to deliver service systems without or with hybrid models of ownership or control.

Far from being a revival of Osbourne and Grabler's (1992) enabling model, which is transactional, the idea of *intelligent organisations* eschews transactionality for relationality. In the *intelligent organisation* learning occurs at several levels. Skills, particular upskilling to release professionals from repetitive work and concentrate on the exercise of wisdom involves skills training. Continuous improvement is an exercise in action learning. Service co-design using new models of delivery (Argyris and Schön's [1978] deutero-learning) results in radically new models of care (such as independent living; hospital day-surgery).

We give our argument a firm epistemological foundation by picking up Schattschneider's (1975) idea that organisations are the *mobilisation of bias* that obfuscates a clear vision of activity flows – an idea developed by Weick (1979) to suggest that exploring *organising* and *enactment* offer a more appropriate analytical lens. In doing so, we push against Stenhouse's (1975) competence-based view of intelligent organisations, Nonaka and Takeuchi's (1995) formal knowledge cycle and the absence of cognition in Wenger's (1998) communities of practice.

Having argued that accountability of a system of integrated services is relevant, we not turn to the implications of this for accountability.

4   Re-thinking of the dimensions of accountability

This section relates our research to previous work on local public service accountability arguing that adopting a services-as-a-system perspective introduces new dimensions to accountability especially for middle managers by introducing continuous learning and innovation by embedding users' contributions and adding to individual organisational performance measures. Secondly, our perspective connects with Stewart's (1984; 1994) critique of indirect accountability systems, indeed following Weber (1999) we argue for a socially reconstructed accountability at the level of service design and deliver taking advantage of personalisation. Our third contribution builds on Fry's (1995) work and the SDL approach to introduce subjectivity and relationality into local service accountabilities at the level of service delivery.

Systems not organisations

Whilst agreeing with Roberts (1991) that accountability is more than financial metrics, we do not share his focus on organisational performance. From the local service users' viewpoint integration and personalisation in service systems is more profound than whether focus on organisational merger (Thistlethwaite, 2004) or coordination (Huxham, 1990). Making the system the unit of accountability may overcome some of the issues (such as hybridity, messiness and multiplicity) considered by Behn (2001, Lapsley (2009) and Osborne (2014) since public value is more visible, being unclouded by organisational boundaries. Users and middle managers are able to continually learn how better to design (effectiveness) and deliver (efficiency) services, tapping into user-inspired innovations. This change of perspective does not mean that organisations (public, private or voluntary) are not important to the service, nor that networks or organisations do not continue playing a role, the service systems perspective simply means that from the point of view of the user and front line managers at the centre of the service system organisational boundaries and structures lessen in importance relative to the service system. It is too early to suggest that such changes herald a new post-bureaucratic organisational form (Kernaghan 2000), yet important to consider how service systems impact on social constructions of accountability.

Democratic accountability and socially reconstructed accountabilities

As Weber (1999) notes, all accountabilities are socially constructed, often featuring informal interactions as opposed to formal reporting and responsibility governances. Central to the service SDL argument (Osborne *et al* 2015) is that NPM privileged efficiency over effectiveness, standards over user-centred services and equity over access. Viewing service systems as a locus of accountability echoes Held's (2006) argument that national and professional standards *and* locally situated standards should *both* feature in accountability monitoring. In trading-off between access and equity, effectiveness and efficiency, standards and personalisation (Bardach 1998) because our approach includes learning and innovation as aspects of accountability, it addresses Leutz's (1999) point that integration costs are front-loaded and innovation drivers are important to recoup investment.

Our work on service systems and particularly co-design and its multiple levels of accountability comparing Finland and Scotland (Laitinen 2016) connects with Stewart's (1984; 1994) *new magistracy* critique of appointed agencies: elected representatives are the best accountability of either public service organisations or service systems that pool resources. Democratic accountability seems more powerful in Finland than Scotland since the former has more decentralised and participative local democracy. Our point is that personalised services in which user co-design and co-produce, introduce a processual ((Valentinov 2011) and relational accountability below strategic level around the actual delivery of services. Koppell's (2005) warning of multiple accountability disorder is partly addressed by adopting a service systems approach, since potentially conflicting/competing performance indicators will be part of the dialogue between users and providers. As Memon *et al* (2014) note, for middle managers, service systems introduce new roles and relationships, part of which is reconciling vertical and horizontal accountabilities.

Relationality, subjectivity and levels of accountability

Understandably much of the literature on accountability focuses on objective metrics (time/money/reported satisfaction); this is understandable since objective (quantitative and quantitative) data offer easy comparability over time and between providers. Our argument

is that accountability in service systems inseparably associates with learning and innovation; quite different from Paul (1992) for whom accountability results in voice or exit – options unavailable to many public service users.

Our focus on provider-user horizontal interactions is not instead of, rather additional to conventional vertical accountabilities and it that sense close to Behn's (2001) call for 360-degree accountability. We do not, like Goetz and Jenkins (2001:323) suggest vertical accountability *blunts the voice of citizens*, but we do differ from Schillemans (2011), who in exploring *agentification*, argues horizontal accountability amounts to a one-way information flow (information, debating and consequences), since we perceive co-production and co-design benefiting both users and service managers. In the latter's case enhancing professional judgement (Sennett 2003) and their ability to negotiate what is public value (Moore 1995).

Like Power (2003) we see the content of accountability shedding light on issues not explored by ritualistic auditing: the subjective element of experienced services, shown for example in emotional touch-points (Radnor *et al* 2014). Since middle managers and users work closely to achieve subjective satisfaction, accountability in service systems is close to Fry's (1995) *felt responsibility* within agreed *roles and expectations*: accountability becomes relational and quite distinct from the formal upwards and downwards principal-agent Ebrahim (2003) considers.

One danger for middle managers in accepting relational accountability alongside users as Pollitt and Bouckaert (2004) point out would be devolved responsibility without devolved power and resources (Strawson's [1966] responsibility *ascription*). Effective service systems therefore presume supportive triangle stuff a mutually supportive triangle between senior managers, middle managers and service users of the sort Haywood-Farmer (1988) suggests and Ghobadian *et al* (1994) and Villarreal (2010) develop.

In summary, viewing accountability through the lens of service systems rather than organisations offers new insights into user-provider interactions as service delivery level

and the possibility of continuous learning and innovation amounting to a social reconstruction of what accountability means at this level by taking advantage of co-production and co-design, embedding users inside the service system. Our perspective is then that accountability in service systems builds on insights from the literature whilst emphasising the processual nature of accountability going deeply into the content of the service processes, new relationalities between middle managers and users co-designing and co-producing services, whilst at the same time referencing the wider footprint of accountability in the form of local democracy.

5   Service system accountability: an integrated framework

In this section we develop six propositions (figure-1), illustrating how these alter the footprint relationalities and service change drivers (figure-2), which we then use to construct a new framework for accountability in service systems (figure-3).

The need for a new framework

Whilst authors have effectively criticised NPM approaches to accountability (Power 1997; Lapsley 2009), those exploring NPG accountabilities (Kooiman 2003) focus on loosely-coupled networks. Our interest is closely-coupled service delivery systems, in which users purposively contribute to design and delivery. There is a gap in the research literature exploring accountability in service systems characterised by co-production, learning and innovation using close relationships between service managers and users.

	Proposition	Literature
Proposition-1: NPG unit of accountability	NPM centres on organisations and their accountabilities, NPG instead focuses on integrated, personalised services; their management, co-design and co-production. Accountability in services-as-a-system therefore uses the service system as the unit of accountability (in addition to conventional accountability measures based on (coordinated or loosely-coupled) organisations and networks.	• NPG (Osborne 2014) service effectiveness, involves co-production • Kinder (2012) move towards integrated local services • Service not organisation unit of accountability

Proposition-2: processual accountability	Whilst the relationship between input and output is important in service systems, service design and delivery processes are also important: accountability therefore is processual rather than state-to-state.	• Processual accountability (Valentinov 2011)
Proposition-3: learning and innovation	Services systems are learning environments in which middle managers and users drive innovation by continually negotiating new service designs (effectiveness, personalisation) and co-producing delivery (efficiency).	• Service triangle (Ghobadian 1994) • Action learning drives incremental innovation (Bardach 1998; Leutz 1999)
Proposition-4: new relationalities	The roles, relationships and responsibilities interrelating middle managers, senior managers and service users alter in closely-coupled service systems; since shared destiny and inter-dependency increase, new accountabilities will emerge.	• Memon (2015) changing 4Rs • Service systems closely-coupled vs networks loosely-coupled (Memon 2014)
Proposition-5: subjectivity	The NPG framework presumes services are subjectively experienced and coproduced: accountabilities therefore need to be subjective as well as objective often requiring informal discourse.	• Users subjectively experience services (Normann 2002)
Proposition-6: wider accountability	Discourse on the social acceptability of service systems and debate around democratic accountability reconstruct avenues and content of wider accountabilities.	• Wider accountability and social construction of accountability (Hupe and Hill 2007; Pollitt 2004)

Figure 1: propositions from paper

Accountability frameworks restricted to input-output relationships, as Morrisson and Salipante (2007) show miss processual complexity and additionalities generated in processes. Mansbridge's (1998) view that process advantages make service outputs unimportant will find little resonance with service users dependent upon public services. Valentinov (2011) presents ideas towards a NPG accountability framework; though his interest is non-profit organisations and their staff, there is little mention of users and no mention of co-producing users.

Hupe and Hill (2007) explore the relationship between the vertical and horizontal accountabilities of street-level bureaucracy exercising autonomy and discretion (Lipsky 1980). Their focus is policy, its implementation and the degree to which the behaviour of street-level bureaucrats make policy. They say (2007:292) *Having both duties and rights, citizens can hold street-level bureaucrats accountable for their behaviour and, if necessary, make a formal appeal in response to the results of that behaviour.* They ask what active citizenship means and answer the question in terms of *asymmetric power*

relations and *inescapable dilemmas.* When they discuss co-production it is (within the Dutch tradition) of making policy, rather than the day-to-day delivery of services, where as Box (2007) and Kinder (2012) note individuals negotiate preferences and as a result of mutual learning alter design and delivery: the focus of our paper.

In summary, we justify presenting a new framework for accountability in service systems because there is a gap in the literature.

Propositions from literature review and scope of new framework
Our framework focuses on who is holding whom to account and the non-financial accountabilities facing users and provider-teams; and how their processes might be measured as public value. Figure-1 refers back to literature discussed above to elucidate six propositions emerging from our literature review, that we incorporate into our figure-3 framework and return to consider in our conclusions.

Figure-2 applies Behn's 360-degree accountability model to service systems showing user and front-line providers at the centre interacting closely (dark arrow). The content of this interaction is accountability flows, learning and continuous improvement and periodic co-design of the service system. Subsequently, (light arrows) more formal accountability occurs, reporting to organisations and groups with a stakeholding in the service system.
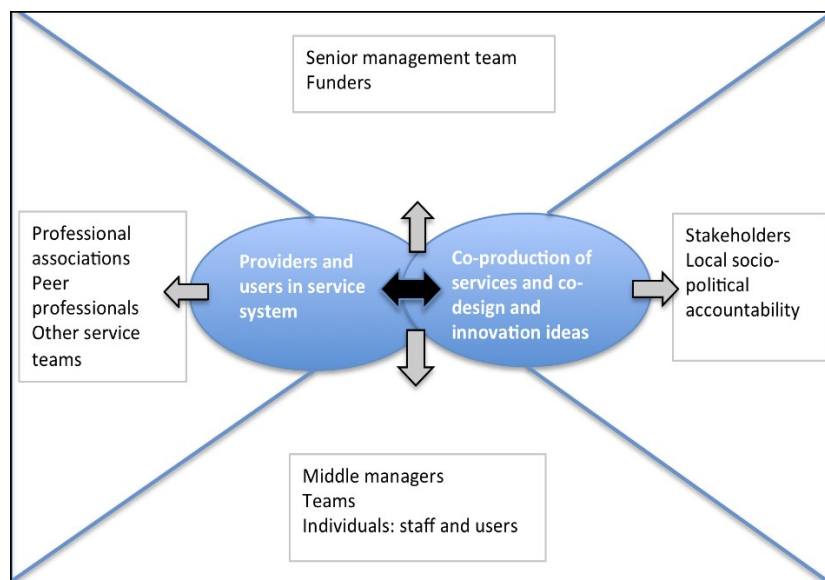
A new framework for NPG local service accountabilities

Three interacting agents form the service triangle in figure-3, with senior management setting broad strategy with middle management and users (in the darker shaded ellipse) co-designing and co-producing service delivery. Like all systems, service systems are characterised by both stability and change: stability here is indicated by Standard operating procedures, which at any point in time order service delivery; and change is represented by the feedback loop covering delivery-learning-redesign-innovation. Agents in the system share goals and ways-of-working in close-coupling; outside of the system other network players are shown on the top-right as contributing and other networked external influences are shown on the top-left.

For users, the most important flow in the system are service deliveries, for example practical healthcare and social care: value flows. Other flows shown in the bottom arrow feature knowledge, relationships and discourses on accountability – these are only possible because the overall system delivers co-produced services.
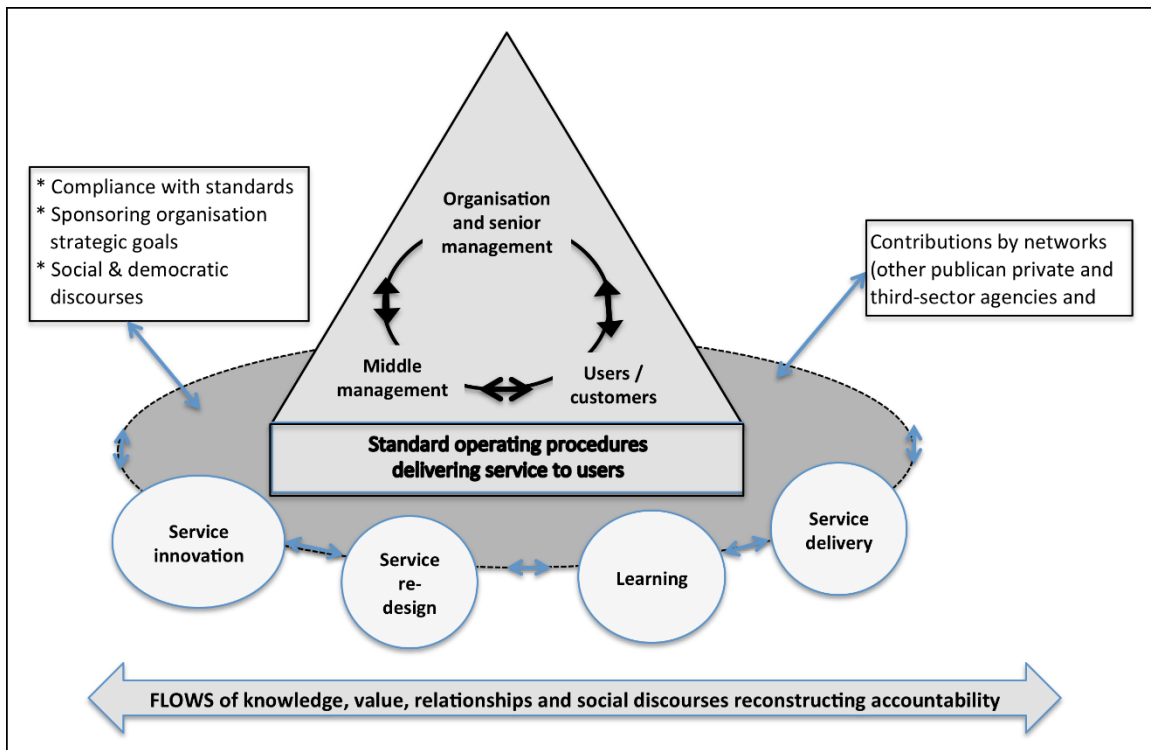

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Accountability in the service system includes vertical reporting by service managers to senior managers using conventional input-output metrics. Processual accountability flows through the service system, flow being characterised by continual deformation between constituent parts i.e. actions and task are continually interrogated and open to discussion and change. The mode of communicating processual accountability is likely to be informal (F2F talking) with users likely to use performative and metaphoric language. Making sense of these interaction enables middle managers to lead design and delivery changes. These NPG activities sharply contrast to NPM where accountability is upward, formal and measures what can easily be measured. From a SDL perspective, users and their experiences are not only important system outputs, they are at the same time in input since knowledge of how to configure services or improve them continually flows back into the system.

Street-level relationships are key to service systems working; they in turn rely on trust and empathy. Whereas organisations hide responsibilities in layers of hierarchy and power, systems make visible the contribution of all agents and highlight any blockage (Goldratt 1993). Accountability ceases to be 'for' and becomes 'to' other agents, emphasising not the *cause of effects* in Kennett's (2001) terms, or role responsibility (Hart 1973), rather in systems accountability is firstly to other agents in the system.

Research by Laitinen *et al* (2016) reveals that accountability footprints vary between Scotland and Finland. Using the example of integrating local primary care and health services, Laitinen *et al* 's work notes that whilst in Finland budgets are within the same city-municipality as opposed to Scotland where NHS and local Councils separately hold the budgets. In both cases loose networks support care services. In both instances, their research shows movement towards tightly-coupled integrated service systems. Further research by Laitinen *et al* (2016a) in eight cities (Barcelona, Den Bosch, Glasgow, London (metropolitan area), Melbourne, Toronto, Vancouver and the state of Vermont) in six countries (US, Canada, UK, Australia Netherlands and Spain) reveals similar movement from fragmented services, loosely networked towards closely-coupled service systems.

Austerity and the desire for more from less, whilst increasing service quality to meet rising user expectations seems to explain the emergence of service systems. Interestingly, however, wider footprint (socio-demographic) accountability have yet to alter. These are culturally deep-rooted: for example in the centralised tradition of Scottish governances relative to the localism found in Finland.

Action learning resulting in efficiency improvements from co-production and effectiveness innovations from co-design characterise all service systems, shown as the feedback loop at the bottom of the figure-3 ellipse. Processual accountability is shown as much wider than Hupe and Hill's (2007) upward accountability, feeding back street-level experiences into policy-making; figure-3 illustrates user-manager mutual action learning as resulting in direct service improvements, customising services to needs. Whereas Mansbridge (1998) argues that processual focus lessens the importance of outputs, figure-3 and Laitinen *et al*'s (2016) work suggests that it is because service managers and users want to improve outputs that they cooperate in delivery processes including continuous improvement feedback.

Use of the new framework
Figure-3 is a conceptual framework the central point of which is that by adopting Osborne's *et al's* (2013) NPG perspective, including Normann's (2002) service management insistence on co-production and Vargo and Lusch's (2008) subjective evaluation by users, it is possible to introduce an action learning feedback loop that stimulates fresh designs and improved delivery. Accountability changes from a post-facto judgement into a real-time approach to adding public value. For practitioners, our framework (coupled with tools such as service blue-printing and emotional touch-point analysis) is an opportunity to reconstruct what accountability measures and how the measurements are used to improve services. Academic researches may find the framework useful in detecting changes from NPM to NPG, accepting Bardach's 1998) point that all service integration is localised and therefore social interactions are shaped by specific culture and context.

6   Conclusions

Overview

At first sight differentiating between public service networks and system may appear as academic pedantry, however, closer inspection reveals this is the key to investigating accountability aspects of NPG, since the services-as-a-system perspective uncovers new shared-destiny relationships between co-producing users and street-level middle managers of services.   Acknowledging with Normann (2002) that services are subjectively experienced and co-produced opens up the possibility of positive feedback learning cycles within purposive service systems supporting personalisation and innovation.   NPG accountability that embeds users in service design and delivery aligns closely with pro-active participative accountability.

Theoretical contribution

Our conceptual paper builds on the substantial body of public service accountability research, such as Behn's 360-degree accountability interpreted in figure-2. Accepting criticisms of NPM (Lapsley 2009) and Osborne's (2012) NPG perspective, we provide a framework for grounding the switch at local integrated service level, noting Held's (2006) point that accountability processes are situated and that each social setting varies the way accountability is (re)-constructed (Weber 1999).   Following Valentinov (2011) our approach is processual, since as Morrisson and Salipante (2007) argue, state-to-state accountability misses the complexity and (learning) leverages created in service design and delivery processes.

The learning relationships we posit address the conundrum Pollitt and Bouckaert (2004) pose of empowered middle managers, weakening their contribution what Adams and Balfour's terms *administrative evil* and Strawson (1966) *responsibility ascription*. Kinder's (2002) work on tele-democracy shows that listening and learning middle managers can overcome top-down austerity-based restrictions by leading continuous innovation, re-negotiating preferences with users (Box 2007) that add to the effectiveness

and efficiency of services. Limiting accountability to (negatively) connoted post-facto upwards accountability as Schillemans (2011) does misses the learning-innovation feedback cycle shown in figure-3. Alternatively, Kinder (2012) shows that accountability may be reframed from post-facto judgement to participatory accountability – action learning. As Osborne *et al* (2014) argue co-production with users placed at the heart of service delivery help overcome binary divides such as those in NPM between efficiency or effectiveness, standards or user-centred services, and equity or access.

We argue that interactive action learning during co-production of services is an *agentic shift* (Milgram 1963) typified by the changed roles, responsibilities and relationships of middle-managers (Memon 2014), specifically those relating to embedded users: both of whom demonstrate Fry's (1995) *felt responsibility* in learning and innovating based on service delivery and quite distinct from what Power (2003) terms *ritualistic auditing*.

Our approach addresses several contradictions identified in literature. Shared destiny, represented by learning and innovation overcomes supply-led or demand-push binary choices. We sidestep Pollitt's (2009) the post-bureaucracy argument by focusing with Weick (1979) on *organising* (of service systems), rather than organisational analysis. From our perspective, the *multiple accountabilities* that concern Koppell (2005) potentially become positive change drivers. Whereas Paul (1992) views voice or exit as public service users choices, our approach shows that 'voice' at high levels of interactivity can continuously improve services, creating the sustainability that Osborne (2014) suggest is possible in NPG. Unlike Hupe and Hill (2007) who fear that street level bureaucracy leads to *asymmetric power relations* and *inescapable dilemmas* our approach to processual accountability suggests more positive outcome are possible. This is because, unlike Kooiman (2003) who focuses on loose policy networks, our focus is on purposive, tightly-coupled service systems delivering services, from which learning and innovation arise. Since it is the effectiveness of services that unite middle managers and users i.e. outcomes, we dispute Mansbridge's (1998) argument that processual focus reduces the importance of outcomes.

New framework

Figure-3 represents a conceptual framework; we believe that all frameworks are wrong: the question is whether they are useful, providing as they do conceptual instruments though without firm causal relationships. Initial research in Finland and Scotland (Laitinen *et al* 2016a) and eight cities in six countries (Laitinen *et al* 2016) whilst not validating the framework, suggests that it is useful. Like Valentinov (2011) our framework is processual, however it differs in centre-staging users and their learning in relation to service mangers and subsequent design innovation. Section-5 above justifies the need for a new framework.

Further research

Researchers are beginning to ground NPG in empirical studies: for example Edvardsson *et al* (2011); Kinder (2012); and Radnor *et al* (2014) focusing on how learning and innovation is NPGs are evolving; and, Memon *et al* (2014 and 2015) and Laitinen (2016) on service systems as an emergent form of NPG. Additionally Laitinen *et al* (2016a) explore how co-design in service systems relates to socially-contrived democratic footprints and wider accountabilities.

Processual accountability is not an alternative to tradition metrics: our argument is to connect the two rather than privilege one or the other. For example, valuable work by Edvardsson *et al's* (2011) on bus transport in Singapore comparing good and service-dominant logics would have more value if in addition to processual data it also referenced comparative input-output data. In future empirical research we plan such a rounded study. Future studies of service system processes and accountability may also explore the modes of communication between users and service managers and pick up points in Wenger (1998) on monitoring and measuring Schön's (1983) *reflection-in-action* and Irby's (1992) *thinking in the midst of action* in short delivery-level re-design and improvised improvements. Whilst Laitinen *et al's* (2016) international study and study of Finland/Scotland co-design in service systems (Laitinen's 2016a) is valuable, much deeper study is needed of cultural heritage influencing the contrivance of accountability. Our view is that Bardach's (1998) argument that integrated services trade-off between access and equity, effectiveness and efficiency, and standards and personalisation has merit and may

synthesise with our figure-3 framework for use in cross-cultural comparisons of emerging new accountabilities in service systems. Finally, service systems are emergent as a NPG mode of delivery: Osborne *et al's* (2014) arguments on sustainability needs apply to longer-lasting examples, such as those in Helsinki and Scotland.

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