The sense of services in a globalizing public sector

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Abstract. This paper represents an attempt to explore in a qualitative way how the microstructure of public private innovation networks in public services (ServPPINs) can be understood. The paper uses the concepts of sensemaking and weak cues from the sensemaking literature to explain how these ServPPINs manage to take care of development and change (Weick 1979, 1995). The proposal, which is explored in the case-study is that the impact of ServPPINs is not to create radical new innovations, but to take a series of small actions and thereby potentially react to small cues. Attention of the paper is, however, focused on "formalization" as one way to handle these sensemaking processes across organizational boundaries, and the paper tries to map different elements of this formalization process.

1. Background

Public private partnerships (PPP) have been investigated stressing their role for private financing of public sector projects (for an overview see for example Hodge and Greve 2005; OECD 2008), but the organizational microstructure of public private innovation networks in public services (ServPPINs) has yet to be investigated in such depth.

ServPPINs could be seen as frameworks that are more holistic and ambiguous and less quantitatively defined than the PPPs. Mutual sensemaking processes play a more explicit role. It refers to network relationships between private and public agencies with focus on development and innovation potentials in public services. ServPPINs can in this way be understood as platforms for change (Ciborra 1996) spurred by the discourse of competition and globalisation but handled in a practical context.

The main research question which is explored in this paper is how the microstructure of ServPPINs can be understood as a framework for development and change. In previous research, the contractual relations such as PPPs and outsourcing have been in focus. They are mostly evaluated as control structures for financing, management, efficiency, maintenance and development. But new types of collaborative frameworks across public-private organizations are emerging which seem different. They emphasise coordination and exchange of knowledge rather than control.

One hypothesis examined here is that the impact of ServPPINs is not to create radical innovations, but that their main capacity lies in their ability to take a series of small steps in order to get cues and explore and test possibilities for change in rather loosely coupled structures. Furthermore, the paper suggests that these structures and their sensemaking processes cannot exist only based in informal relations, but that they need at least some degree of formalization in order to function (cf. also Vlaar et al. 2006; Vlaar et al. 2007).

In order to investigate these issues, the paper first discusses some major trends reported in the literature on competition and globalization which can give the background for this problem. Following this, two case-studies of public-private collaboration (ServPPINs) are explored and it is examined how they are rooted in formalization of sensemaking processes. The sensemaking perspective is used to interpret what goes on in these microstructures with respect to development and change, but formalization of organizational framework for sensemaking is stressed.

2 Theories of change

In the literature on services and innovation, several new policy-oriented theories of change have been proposed that point to new needs for inter-organizational coordination in a globalizing economy. Three such policy-oriented theories of change are: a) the theory of open innovation, b) the theory of service organization and c) the theory of the competition state. Common to these theories (and policies) are that they tend to stress change as an interactive process where exchange of knowledge and coordination across organizational boundaries becomes critical.

From a practice-based perspective (Nicolini et al. 2003; Gherardi 2005; Reckwitz 2002; Schatzki 2002; Schatzki et al. 2001), one problem with these theories is that they tend to

conceptualize change and interaction without paying much attention to the subtle workings of a social practice and how knowledge in a recurrent way much be anchored in a practice in order to do its work.

In the following some characteristics from these theories of change are first discussed. Second, by referring to a sensemaking perspective, it is discussed how knowledge can be handled across organizational boundaries in a practice-based perspective. It is stressed that sensemaking is important but also that sensemaking in complex inter-organizational relations is dependent on organizational set-ups and formalization. This leads to the paper to focus on formalization of relations as a means of sensemaking.

a. Open innovation

In the open innovation theory, development and change is characterised as a dispersed, interactive, loosely coupled and open processes. The theory is explained historically by several events that have made development and change more open, more dispersed, more differentiated and more complex. Neo-entrepreneurs as well as institutional entrepreneurs (DiMaggio 1988) have gained importance due to spin-offs from established companies an institutions. They challenge established logics of change and introduce new knowledge. A new sector has been rapidly evolving, the service sector, including knowledge intensive services and public services. This sector contributes to knowledge creation and innovation in new ways (see for example Gallouj 2002). Consumers have also been seen as potentially more active with respect to development and knowledge creation, since they today are equipped with advanced production machinery (computers) and are interlinked through new social technologies. This makes it possible for users to interfere with development processes and for companies to tap knowledge from them.

These kinds of observations have led to new conceptualisations of development and change such as "open innovation" (Chesbrough 2003), "democratization of innovation" (von Hippel 2005), "high involvement innovation" (Bessant 2003), "strategic reflexivity" (Fuglsang and Sundbo 2005) or "collaborative community" (Heckscher and Adler 2006). They point to the interactive and heterogeneous character of development and change today organized as open processes and in temporary groups between people who often do not know each other well. Open innovation implies that companies faced with problems and challenges, rather than developing solutions to the problems by themselves, must seek relevant knowledge from

external sources and seek to adopt this knowledge or led it go when this is not possible. These interactive arrangements are in some versions seen as building on formalization and coordination (Heckscher and Adler 2006) because of their complex form that requires the participation of many different people – as compared to the more informal relation that can exist between smaller groups of people that know each other well inside an organization.

Research has shown that also the public sector can be characterised by processes of open innovation that cuts across single public service areas (Moore and Hartley 2008; Fuglsang 2008; Fuglsang and Pedersen 2009). Based in case-studies, Moore and Hartley (2008) argue that for certain types of public innovations that they call "innovations in governance" important changes are taking place: "the focus of attention shifts from the analysis of what happens inside an organization to an analysis of a production system that crosses organizational boundaries, and sometimes … reaches to the mobilisation of millions of decentralised individuals." (Moore and Hartley 2008: 14). A study by Fuglsang and Pedersen (2009) indicates that public innovation often tap external sources and make use of consultants to a large extent.

Thus, the theory of open innovation also seems relevant to the public sector. The use of the Internet and social technologies also play a growing role in this context, allowing for new forms of entrepreneurship and development. In the case of public sector change, however, there may also be important barriers to inter-organizational exhange and coordination. The public sector must respond to requests from politicians and senior managers and it must treat citizens on equal terms and according to public ethos. There is an important practice-context to the public sector in which these ideas must be anchored and re-anchored in a recurrent and reciprocal way.

b. From an industrial organization to a service organization
Parallel to open innovation there is another theory of change pointing towards a new organisation of services and service development, focussing the growing role of services in the economy and a changing division of labour between industry and services. Services have come to play a more important role in the economy during the past 50 years.

At the conceptual level, the service organisation is opposed to the industrial organisation: While the industrial organization stresses mass-production, standardisation of products and an

engineering approach to development and change, the service organization stresses the relation to the individual client and the encounter between the employee and the users.

The service argument has been taken one step further by theorists of the so-called service-dominant logic: the service organisation does not necessarily refer to a sector in the economy (the service sector). It could, according to this approach, refer to a new "logic" in economic and social development (Vargo and Lusch 2008; Lusch et al. 2008; Lusch et al. 2007; Lusch and Vargo 2006; Vargo and Lusch 2004). Service is seen as "the application of competences (knowledge and skills) for the benefit of another party". A service would then be "the process of doing something for another party" in a "collaborative process" (Spohrer et al. p. 4, see also Lush and Vargo 2004 and 2006). In this way, all kinds of value generation have been seen as intertwined with service activity. Service (in singular) is not an appendix to goods. It has been seen as the core work which is done to generate value, social development and economic growth. Furthermore: "viewing the world of people, businesses, and governments as a population of interacting service systems can lead to improvements in service quality, productivity, regulatory compliance, and innovation" (Spohrer et al. 2008 p. 10).

The service-organisation or the service-dominant logic is a customer- or client-centred logic. Some academics have claimed that this kind of logic also have penetrated the public sector in the form of a new "citizen-centred governance". Hartley (2005) makes a distinction between three competing paradigms of governance and public management that she calls 1) traditional public administration, 2) new public management and 3) networked governance or citizen-centred governance. The first constitutes a stable homogeneous environment in which needs are defined by professionals and innovations are large-scale and universal. The second is more competitive and atomized in which needs are expressed through the market and innovations concern organizational changes. The third is a continuously changing and diverse organization in which needs are seen as complex and volatile and where innovation takes place both at the central and the local level. In the networked or citizen-centred governance model, according to Hartley, public managers have become explorers rather than clerks and citizens have become co-producers rather than clients.

This theory implies that the employee should coordinate more with the citizens and use knowledge from citizens, but also that the service encounter and service development could be more systematized and more based in scientific design. Again, while on the one hand this

approach theorizes a practice, on the other hand it tends to neglect the continuing importance of practice and context for the use of this knowledge and these ideas.

c. NPM and the competition state

The initial theoretical basis for New Public Management was the concerns raised in public choice theory (Niskanen 1971) and principal agent theory that employees in the public sector would maximise budgets and chase their own benefit leading to inefficient behaviours rather than acting according to public ethos. One way for politicians to solve the problem was to use a range of administrative instruments that were characterised as New Public Management (Hood 1991), which would increase competition, marketization and performance incentives in the public sector (Dunleavy et al. 2006).

A related problem has been the concern for the competitiveness of nations in the context of globalization. This problem has been theorized in the literature about government and governance – which partly overlaps with the academic NPM literature – and has perhaps been more stressed in later years. Competition could be understood as a different rationale for change than NPM linked to concerns for economic security and survival.

This has led to notions about the "competition state" (i.e. Cerny 1995, 2008; Kirby 2002, 2004), the "post-welfare contracting state" (Cerny and Evans 2004), the "schumpeterian workfare state" (Jessop 2002), intrusive "hyper-innovation" of the new state (Moran 2003), or "reinventing government" (Osborne and Gaebler 1992) (see also Cerny 2008). This literature tends to argue that, rather than deregulation, new forms of arm's lengths re-regulation appear. The purpose is to promote competition in a pro-active way. This new form of regulation is also used to change public and social services towards more internal contractualization and competition. Cerny (2008: 25) argues:

 "The core of the regulatory approach is contractualization and "ex post " regulation – i.e., that behaviour is not constrained a priori (or ex ante), but is agreed on a contractual basis and then subject to later litigation when and if rules are broken. Ex post enforcement includes both judicial and quasi-judicial procedures, especially through independent regulatory agencies; the development and proliferation of such bodies is sometimes called "agencification." The primary purpose of such regulation is ostensibly the promotion of competition, seen as the central mechanism of efficient market behaviour or what Adam

Smith called the "invisible hand" of the market, although its secondary purposes – often given precedence in political discourse – are claimed to be the prevention of fraud, the protection of consumers and the avoidance of contagion from market failures."

This theory and policy agenda explains how public institutions are exposed to competition and prodded to create more inter-organizational exchange and coordination. They must be efficient in comparison with similar institutions in other countries (for example in health and education). Educational institutions must prepare the workforce for globalization.

2.2 Sensemaking in an organizational context

The above theories of change stress how organizations are prompted to use external knowledge and coordinate their activities with external resources in a global context. Practice based theories call into attention, however, that knowledge must be anchored in a practice in order to do its work. How, then, can organizations make use of external knowledge in a global *and* practice based perspective? In the remaining part of the paper, this problem is discussed by developing an organizational perspective on sensemaking stressing formalization of sensemaking relations. The ServPPIN is seen as an organizational structure that prod actors to go through sensemaking processes and thus to anchor knowledge in a practice.

The concept of sensemaking (Weick 1979, 1995) is generally appropriate to explore how knowledge is anchored in practice in a recurrent process of knowing and doing (Gherardi 2006). The sensemaking perspective stresses how people extract meanings from cues by enlarging cues and how they, by using different ways of sensemaking, read meaning into actions in complex situations in order to reduce complexity and make sense of what they are doing.

The sensemaking view emphasises the microstructures of small actions, testing many solutions, getting cues, working with prototypes, and recurrent processes of doing, saying and knowing. Brackets are put around big decisions and rational behaviour. In this way, the sensemaking approach also differs from common policy-rhetoric about innovation, globalization and competition. In policy-rhetoric (sometimes wishful thinking), there may be a tendency to emphasise big projects, radical innovations, global trends, the motivating power of competition and rational decision-making. ServPPINs may often be constructed for these purposes but in practice they may work more along the lines of the sensemaking perspective.

The notion of sensemaking could be understood both in a pragmatic and an ontological sense. In the pragmatic view, it would mean one among many processes and activities going on in and between organizations. In the ontological view, it is an approach to organizational studies which implies a specific understanding of organizations and practices (cf. also Hernes 2008; Hernes and Weik 2007 about the process view in organizational studies).

Adopting a more ontological view for the purpose of this paper, it will also be stressed that sensemaking requires some degree of formalization. The work of Weick is mostly focusing on intra-organizational processes that can perhaps be handled in an informal way, but here we look at complex inter-organizational relations between public and private service providers. It may be assumed that sensemaking here requires some explicit effort and at least some degree of formalization and facilitation in order to function.

From this point of view, it becomes important to capture both the organizational and the cognitive aspects of sensemaking. Ciborra and Lanzara (1994) introduce the concept of "formative context" in an attempt to bridge cognitive and institutional aspects of practice. Formative context is "what binds, in a loosely connected texture, an individual or a collective (group, organization) to an established world of objects and relations." Furthermore, it allows the researcher to see organizations as "makeshift assemblies of relationships and activities which operate in accordance with several quite different sets of principles and assumptions". Ciborra (1996) also introduced the related notion of a "platform organization" to describe a specific form of dynamic formative context. Platform organization is "a shapeless organization that keeps generating new forms through frequent recombinations", "a formative context that molds structures", hence a context for molding knowing and doing.

In this paper, the concept of platform organization bear similarities to that of the ServPPIN, except that the ServPPIN constitute complex inter-organizational relations where knowledge is both internal and external to the participating organizations. It could therefore be assumed that the ServPPIN, compared to the platform organization, will require some degree of formalization in order to get started and work. The ServPPIN could therefore be analyzed as an expression of a platform organization that through structured formalized activities allows for interactions and sensemaking processes that assembles different pieces of knowledge and molds knowing and doing.

Vlaar et al (Vlaar et al. 2006; Vlaar et al. 2007) argue that formalization can influence sensemaking, understanding, coordination and trust in inter-organizational relationships. They define formalization as the "codification and enforcement of inputs, outcomes, and interorganizational activities" (Vlaar et al. 2006: 410). This translates into structured interactions. In this way, formalization is not just a means of control, but also a means of sensemaking and coordination. Vlaar and his colleagues primarily see formalization and sensemaking in relation to concepts like understanding and trust (understood as two separate concepts). For the purpose of this paper, it is argued that formalization of sensemaking is a method or ethno-method (Garfinkel 1967) for development and change, and the paper seeks to map different elements of formalization in that respect.

In section 4 and 5 of the paper, two case-studies are presented and in a section 6 the impact of ServPPINs on development and innovation is discussed. The elements of "formalization" are mapped. The paper therefore stresses a substantive and practical approach to sensemaking and inter-organizational coordination in a globalizing economy.

3. Methodology

Methodologically the approach of the paper is a case-study (Flyvbjerg 1998). The purpose of the case-study is to map the formalization processes in the ServPPINs with respect to sensemaking, development and change. In this way, the case-study also explores the relevance of a particular conceptual framework for understanding how the ServPPINs can absorb and coordinate knowledge. Hence the case-study investigates the relevance of the concepts of formalization for sensemaking as a conceptual framework for understanding what goes on in the ServPPINs and how they succeed or fail. The elements of formalization of sensemakiong with respect to development and change are mapped.

The paper investigates and compares two cases (ServPPINs) from two Danish municipalities, 1) an innovation network or development partnership in elderly care between public and private service providers that was created in the municipality of Gribskov from 2005-2011, and 2) a health school which was established in the municipality of Næstved in 2007-8 by the private company Falck Health Care.

The case-studies of the SerPPINs were carried out as part of the EU ServPPIN project based in a common guidebook and questionnaire for all case-studies in this project. The ServPPINs were reported in two case-reports[1] stressing five key dimensions. These key dimensions were: type of innovation, type of innovation network, divers/barriers of innovation, institutional factors and impacts and policy issues. Documents were collected and interviews were carried out with managers and employees in the ServPPINs and case-study reports were made for each of the two case-studies. 15 in depth interviews have been carried out as a basis for this study.

The case-study is a contextual method which is particularly useful in studying the role of sensemaking processes in ServPPINs. It is not likely that sensemaking processes or formalizations can be found without a case-study methodology. Furthermore, a case-study can also be used to develop and refine theoretical concepts according to a grounded theory approach following Anselm Strauss (Strauss and Corbin 1990) understood in a broad sense.

4. Gribskov

4.1 The case in a nutshell

This case-study concerns an evolution that took place in Gribskov municipality in Denmark in public-private collaboration in elderly care. Gribskov has been a frontrunner and driver in public-private collaboration in Denmark. Gribskov is situated north of Copenhagen in the Capital Region. There are about 40.500 inhabitants in the municipality.

This new development in Gribskov was a changing approach to public-private collaboration: from focusing mostly on price of service, efficiency and disaggregation of public hierarchy towards also including collaborative service development and innovation activities in a ServPPIN.

Focus of the case-study was Gribskov's "Development Partnership" created in 2005. In addition to the municipality, Development Partnership has involved three contractors (two

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[1] The Næstved case was carried out by Lars Fuglsang and John Damm Scheuer and the Gribskov case by Lars Fuglsang.

private and one public) that have been running the municipality's five nursing home centres for elderly people.

Gribskov was a merger of the previous Græsted-Gilleleje and Helsinge municipalities. Previously, it was Græsted-Gilleleje which was known as a driver of public-private collaboration in Denmark. Three of the five nursing home centres were situated in the earlier municipality of Græsted-Gilleleje. They were outsourced in 2005 (in the municipality's "third generation" outsourcing). The three centres were outsourced to two private enterprises, Attendo and Aleris (both Swedish). The remaining two nursing centres situated in the previous Helsinge municipality have since 2007, after the merger, been run by the previous municipal provider. This provider has been turned into a public company, PlejeGribskov. PlejeGribskov has a contract with the municipality on similar terms as the two private providers.

In their contracts, the public and two private service providers have been required to collaborate mutually and with the municipality in a Development Partnership. The purpose has been to ensure development and innovation in elderly care. They had to allocate resources to this partnership (money and hours). The partnership has been facilitated by Momentum, a private association with public and private membership created in 2003. The purpose of Momentum was to create value in the collaboration between service partners, especially the collaboration between public and private partners. Its core service has been "value-creating collaboration".

Gribskov has been referred to in a report from the Danish Competition Authority as the municipality with the highest indicator of competition exposure of services (Konkurrencestyrelsen 2009). This means that Gribskov has been the municipality in Denmark which has been most active in launching a process for awarding public contracts to private or public firms.

In a related report from the Danish Competition Authority (Konkurrencestyrelsen 2008: 34f), the background for public-private collaboration in Gribskov has been described as follows: "In its Municipality Council, the municipality of Gribskov has adopted a general contractualization and partnership policy according to which all areas of services within a shorter number of years must be evaluated in order to assess possibilities and advantages of

exposure to competition. The municipality has a non-ideological approach to public-private collaboration, and there is general support from the politicians."

The interesting aspect of the present case is that it has gone one step further compared to previous contracts. It has required of the contractors to participate in, and allocate resources to, collaborative development and innovation. Most NPM or PPP initiatives have been stressing competition, incentivization and disaggregation (Dunleavy et al. 2006). The rationale has been to improve efficiency and counteract problems related to public choice and principal-agent problems. But it could be argued that this new initiative in Gribskov has taken NPM to a new stage. On the one hand, Gribskov has had the lowest costs among Danish municipalities on personal care and the third lowest costs on practical help to elderly. On the other hand, Development partnership has created a collaborative space for development and innovation among the contractors and the municipality. It has moved focus from efficiency and arm's lengths principles of contractualization and control only towards innovation and a more integrated form of collaboration between the municipality and the contracting enterprises. This seemed to be a unique approach in a Danish context, but it could become a heuristic model or exemplar for other public-private collaborations.

In this way, Development Partnership can be seen as an example of a new type of Service public-private innovation network (ServPPIN). Its central feature has been collaboration about innovation. A central point became the ability of the collaborative network to develop new concrete service innovations and identify a set of relevant common solutions to elderly care. A critical point has been the mediating activities of the external facilitator Momentum for prompting coordination, development and change.

4.2 Types/processes of innovation

Development Partnership in Gribskov can be understood as "innovation" in at least four different ways: as policy innovation, as system innovation, as platform innovation and as service innovation (see also Windrum 2008 for an overview of different types of public innovations).

1. Firstly, it is a policy innovation, because it was invented at the policy level by politicians and senior managers in Gribskov municipality. It is a particular feature of the public sector

that innovations often come from the top from politicians and senior managers who have the formal power and public legitimacy to initiate innovations.

In this case, they operated in a climate favourable of public-private collaboration and with several years of experiences in this area. Public-private collaboration started in the mid-1990s. In this period, the later Danish Prime Minister, Lars Løkke Rasmussen, was deputy mayor in Græsted-Gilleleje and he was chairman of the health committee (1994-97). Lars Løkke Rasmussen has been known as a driver of public-private collaboration. Gribskov has become a frontrunner of public-private collaboration in Denmark.

According to an interview, the municipality has found it inspiring and relevant to operate increasingly in a climate of "wikinomics", which means that "no one can alone find the best solutions to problems, but should seek solutions in collaboration with others". Furthermore, policy-makers have also seen a need for integrating the private partners more with the municipality in order to better make them grasp new policy ideas and requirements.

In this way, policy-makers played an important role for stimulating more public-private collaboration and interaction. But the important point here was also that they had the formal power and organizational tools together with Momentum to carry out these ideas.

2. Secondly, Development Partnership can be seen as a system innovation. It was part of a broader change in the Danish public sector towards stimulating public-private collaboration. In this way, it could also be seen as an element of New Public Management.

The specific contribution of this particular system innovation was that it changed focus from hardcore NPM towards integration and mutual collaboration. The main problem was the attempt of NPM to break down public hierarchies, bureaucracies and power-structures into smaller, more dynamic and flexible units. The disadvantage of this was, according to the municipality, that the provider of public services became disintegrated from the municipality's overall understanding of service-development and policy development.

3. Thirdly, development partnership can be seen as a platform innovation. The category of "platform innovation" is not mentioned by Windrum (2008) but could be added to the list of public innovation types. In this case, the platform was an organizational structure for various

meetings, which was a top-down initiated and bottom-up constructed. The initiative came from the municipality, which had the formal power to create or demand this platform or network. Using this power made it possible to pull actors together in regular meetings that would normally not happen. A requirement was therefore built into the contract stipulating that these firms had to participate in this platform, and they had to allocate money and time to it.

Another characteristic of the platform was, however, that the outcomes of its activities were not specified from the beginning, and the members were not forced to use the results. It was supposed to identify relevant problems to work with along the way. Each participating organization then had to see if it could work with or integrate some results into daily operations. One characteristic of the platform, according to interviews, was that it had to work with various dilemmas between standardisation and differentiation, experimentation and financing, internal and external requirements.

In addition to this, a critical factor for the work of the platform was the place occupied by Momentum as process facilitator. Momentum facilitated structured and formalized meetings among the participants and took the lead in the various sub-projects that were decided in the platform.

4. Finally, the development partnership can also be seen as a service innovation in two related ways. For one thing, Momentum, which was created in 2003, was a service innovation in itself. The purpose of Momentum was expressed in the following way by July 2009 at its home page: "Momentum is an association of which the purpose is to create value in the meeting between different partners.... Momentum's core service is value-creating collaboration, whether it is short idea-meetings or long term alliances."

The role of Momentum for Development Partnership may be similar to several other initiatives in regional and industrial policy. It seems critical that, in a network, someone has the responsibility and resources for making collaboration happen. This includes a secretariat that can organise meetings, apply for funding, lead projects and so on.

The role of Momentum has evolved over time. According to interviews, before 2005, Momentum's activities were mostly financed through membership fees. At this stage, there were discussions about ideas in the Momentum steering group, but it was difficult to come up

with concrete ideas and projects that everybody were happy with. Some members withdrew, others stayed. After 2005, a reorganization of Momentum took place: it became more market oriented and project organized. Development Partnership became an example of a concrete project in this new project organization.

Another way in which Development Partnership could be considered a service innovation is by the concrete service projects (innovations) that resulted from Development Partnership. A number of concrete projects were initiated, among them a project about the concept of care, a project about competence development, a common training initiative called Care Academy for employees, and a project about involving local actors and other professionals (like hairdressers and postmen) in care activities.

The outcome of these different projects was not so clear-cut, but they all led to new concrete initiatives in the companies. Another way of putting it is that Development Partnership allowed for an experimental approach to innovation taking a series of small steps and testing out possibilities through an incremental sensemaking process.

5. Næstved

5.1 The case in a nutshell

This case-study concerned a public-private-collaboration in 2005-2008 between a private company, Falck Healthcare, and a municipality, Næstved municipality (approximately 81.000 citizens in January 2009). The purpose of the collaboration was to develop a new "health school" for people with chronic diseases in Næstved in 2005-2008. The health school was developed from scratch since there was no health school before the collaboration, but it was inspired by other similar initiatives in Denmark. The health school was placed inside a new health care centre in the municipality which was placed in a separate building. This was a former hospital building, not far from the centre of Næstved city. The purpose of the health school was to promote health by teaching citizens with chronic diseases to maintain a good health condition.

The health school was developed by Falck Healthcare and Næstved together in a formal public-private collaboration financed by the government. Falck Healthcare, which is a subsidiary of a very well known Danish health company Falck, was the main player and

responsible for developing and maintaining the health school as a separate activity inside the health care centre in Næstved.

Preparation for the school started in 2005. In Fall 2005, the Ministry of Health and Prevention posted a call for proposals for municipal health care centres. Based in discussions between the top-manager from Falck and the director of Næstved an ambitious proposal was sent to the Ministry. In September, Næstved received a letter with promise of some support for the idea but with a much lower budget. In the meantime, a new health director was employed in Falck Healthcare. He took over the task for Falck. He redefined the proposal to become a more pragmatic or "realistic" (quote) proposal for a health school. In January, a new chief of health quality was employed by Falck. Together with a project manager and later head of Næstved health care centre, she worked out a revised application for a health school which was sent to the Ministry in March 2006. Funding was then approved by the Ministry in a grant running from September 2006 to June 2008.

One explanation of this further development of the project, according to interviews, was the good chemistry between the new chief of health quality in Falck and the project manager in Næstved. They were the two entrepreneurs who could create and later implement and develop the school together. They took over the idea from other people in Falck and Næstved and developed it into something feasible. While Falck Healthcare says they have generally been a "company of entrepreneurs" who can work in a "realistic" way with new ideas, entrepreneurship has not been so widely spread in Næstved. The case-study thus illustrates how entrepreneurship combined with realistic planning and public funding could produce development and change. It also illustrates how sensemaking was prodded by the application procedure and the efforts to get seed money from the Ministry.

In 2007, the health school admitted 56 patients with obstructive pulmonary disease, 75 with type 2 diabetes and 17 with heart failure. Because the health school was part of a national programme, the effects of the health school had to be evaluated together with 17 other health care centres that achieved support from the Ministry of Health and Prevention. The evaluation was undertaken by the National Institute of Public Health of the University of Southern Denmark (Due et al. 2008). In the evaluation report it was analyzed whether the number of hospitalizations due to obstructive pulmonary diseases, diabetes related diseases and coronary diseases had decreased during 2005-2007. Only the number of hospitalizations related to

diabetes had decreased slightly from 2006-7 while the number of hospitalizations due to the two other diseases had increased in the same period.

In a status report from March 2008, Falck and Næstved had themselves evaluated some of the results of the health school. According to this report, 20 courses with a total of 156 participants had been started until March 21 2008. Participants from the two first courses (11 out of 18) had been to a follow-up conversation after 12 months. According to the report between 21% and 72% had improved on different parameters from the beginning to the end, between 19% and 72% had improved after 3 months after the course ended and between 9% and 55% had improved after 12 months.

These evaluations were a core work which was done both to socially sustain and legitimate the project, but also in the sensemaking process among the different actors, including Falck, Næstved, the Ministry, the GPs, the health care centre and the health school. The health school turned out to improve the health conditions of the concrete participants, but it did not have measurable effects on the general health budget by reducing hospitalizations in a significant way.

Sensemaking also evolved around a series of troubles and controversies. The number of patients that enrolled was not as high as expected. This was explained by a lack of support from the GPs who did not want to refer their patients to the health school. A GP was recruited as a consultant to act as intermediary between the school and the GPs in the municipality. But the situation did not improve. The place of the health school in the context of the health care centre was also discussed. The health school and employees in the health care centre both wanted to use a training centre facility in the health care centre. It took time and efforts to reach agreements about how to share this facility and create a feasible booking schedule. Furthermore, due to the relative isolation of the health school as an independent unit in the health care centre, it became impossible to share resources and exchange experiences with the health care centre as a whole. Therefore, the integration of the health school into daily activities was seen as week.

When the grant from the Ministry ran out, it was, after some time, decided to end the collaboration with Falck. In 2008 it was later decided to replace the health school run by Falck with an internally driven initiative that drew on the experience of Falck by using its

teaching materials and employing one of its previous staff members. In this way, the composition of the group and the concept was changed one more time. Falck, who developed the idea, was not allowed to continue in the further development of the project.

5.2 Types/process of innovation

The health school could be characterized as a pedagogical innovation, referring to the particular framework it used, grouping people with different chronic diseases in one common course and making use of pedagogical tools that were developed by Falck. The strategy Falck had applied to develop this new tool was to recruit relevant people from different institutions and make them work together: First, an experienced person was employed as chief of health quality and she employed the personnel for the health school drawing on her professional network.

The innovation was also a process innovation, a conceptual innovation and a marketing innovation at the same time. It was a process innovation because it improved the process of health promotion in the municipality as requested by the government. It was also a conceptual innovation contributing to the concept of health promotion by creating a health school showcase that could be theorized and re-used as an exemplar in other municipalities (this was what Falck wanted). Furthermore, the promotion of the health school to patients, hospitals, GPs and other local actors through active networking implied marketing innovation as well. For example, information materials were developed in order to present the new concept to patients and GPs.

Finally, it was a network innovation. The network relations had their origins in personal relationship between a manager at Falck and a manager in Næstved. These relations were continuously reshaped, however, because managers at Falck and politicians and civil servants in Næstved found that the health school project could be more realistic and serve specific economic goals. The money pool aimed at supporting the establishment of health centres played a key role since informants at Falck as well as in Næstved emphasized that the project would not have been started up, had it not been supported with money from the money pool. General practitioners indirectly played a key role and influenced the success of the health school by not providing enough patients to it. The physiotherapist and other employees at the health school were mobilized and motivated by their professional interest in health promotion

and prevention, in making a difference to the patients and by the satisfactory work environment created by the employees and the physiotherapist from Falck.

In this way, the innovation was linked to a continuous networked sensemaking process that took place among nurses, physiotherapists, general practitioners, senior managers and politicians, each taking a series of small steps and testing ideas to see what fitted in.

6. Analysis of results

In the following the cases are analyzed with respect to formalization understood as a method of coordination and sensemaking with respect to development and change rather than control.

Both of the cases could be seen as ServPPINs rather than PPPs. They consist of collaborative frameworks across organizations that stress networking and development of health services. They seek to develop something which is new in the context and create agency around this new rather than they simply execute a predefined task in a strictly planned way. Perhaps there is a difference between the two cases: In Gribskov, the goals of Development Partnership were more unclear from the beginning and more retrospectively uncovered. In Næstved, the starting point was a vision of a great new health care centre. But in the latter case, it turned out that the initial plans were a moving target which had to be adjusted along the way to become more realistic, and a main part of the collaboration consisted in getting the project right so that it could fit into the local context. While initial plans are of course important, both of the cases illustrate the importance of a practice-based approach in which project-ideas are enacted and incorporated into local practices at the micro-level through processes of sensemaking with respect to development and change.

In the following, it is examined how formalization understood, not as specific plans, but as structured or codified interactions was turned into a method or ethno-method to handle sensemaking processes leading to development of practice.

6.1 Approaching each other and compromising through formalization
Formalization as defined in section 2.2 can be a mechanisms of planning and control but also a method (or ethno-method) to handle sensemaking and direct it towards change. This can be observed in both of the two investigated ServPPINs. They are both formalized through

contracts with certain expected inputs and outcomes that are codified to some extent. But formalization also works as a tool or occasion for the continuous sensemaking processes that go on among the actors which is critical for developing and reformulating practice.

In Gribskov, formalization was a critical part of the Development Partnership. There was a formal contract and certain rules of the games that prompted action. The effect of these rules, however, was not merely that they were followed blindly, rather they were used to negotiate and renegotiate meaning. The partners used formalized procedures as an instrument to incrementally understand each others interests and understand how they could trust and use each other. The sensemaking capacity was developed over time as a consequence of structured interactions organized by Momentum. Development Partnership became more successful after some time, when the partners became more trustful towards each other and it became clearer how they could use each other and together gain new insights about care. This eventually led them to initiate common projects that seemed to generate value for all partners. In the first stages of the collaboration, by contrast, the mutual sensemaking capacity was weak. The partners seemed more sceptical about each other – they were competitors and they were more oriented towards their own practice and sensemaking – and they were reluctant to collaborate. Sensemaking covers two dimensions here: to gain insight in each other and to uncover new collaborative projects about care, such as the Care Academy, a local networks project (involving citizens and other than health professionals in care) and exploring the concept of care in collaboration.

In Næstved, a series of compromises were made along the way among different partners and these compromises could also be seen as a step-by-step sensemaking process that was prodded through the requirements of formalization using formalization as a tool to handle sensemaking in the context of change rather than a tool of control only:

- A compromise between great visions of a large health centre (the initial plans) and practical opportunities for a much smaller health school that was formalized in an application.
- A compromise between Falck/Næstved and the Ministry of Health and Prevention about a concrete project with a reduced budget which was formalized in a contract.
- A compromise between Næstved health care centre and the health school about the location of the health school in the centre.

- A compromise between the health care centre and the health school implying that the health school is set up as an independent unity in the health care school with its own staff living a life of its own.

- A compromise between what Falck wanted to achieve and what the citizens wanted to do in terms of the number of citizens that could be recruited to the project.

- A compromise between the health school and the GPs through a GP consultant that acts as an intermediary.

- A compromise between employees at Falck in the health school and employees in the health care centre about the use of a training centre facility.

- A compromise between Falck and the municipality about a temporary financing of the project which was removed after half a year.

- A compromise in Falck between what the company wanted to sell (health schools to many municipalities) and what they may possibly sell (consultancy in this area to municipalities).

Nachi defines compromise as "…an objective one seeks to attain (an agreement, resolution of a conflict, etc.) as well as a means or process by which it is attained. In one case, compromise is a form of agreement or ''solution'' to a dispute or difference, to a conflict or disagreement, while in the other it is a procedure for resolving conflicts"(Nachi 2004: 204). In this case, compromises were achieved in a series of steps that were taken during the drafting of the application, contracting with the Ministry, getting financing in place, evaluating the project, solving specific troubles and conflicts, enrolling the GPs, and so on. These activities were formalizations that were used as tools for reaching the compromises. In this way, formalization was used as a way to handle important processes of compromise and sensemaking and direct them towards development and change.

It can be concluded that in both of the two investigated ServPPINs, formalization played a role for approaching each other and compromising about a framework for development and change.

6.2 Integration in loose couplings through formalization

Weick describes loosely coupled structures in the following way: "What loose coupling means practically is that if one of the variables is disturbed, the disturbance will tend to be limited rather than ramify" (Weick 1979: 111). This is different from tight couplings were

variables have a strong impact on each other and decoupling were they have no impact. The impact of formalization can be to create tight couplings of control, but this is not so obvious in the two cases. Rather, formalization is here used as a tool to create and handle loose couplings allowing for divergent but still related sensemaking processes and target them towards development and change.

In Gribskov, different project were formalized where people were integrated in a loose way. For one thing, at least four projects in the Development Partnership were formalized. Furthermore, several projects were organised in the partner companies around various teams. These different projects were linked through Development Partnership though not in a very tight way. No strong consensus was enforced on the groups about what specific goals to pursue or what activities should be carried out. Rather, the goals and the purposes of actions only retrospectively became clarified.

In Næstved, people from different social worlds had to cooperate about the service. They were: Falck Health Care which wanted to develop a service it could sell to other municipalities; the health care centre in Næstved which wanted to (and was obliged to) develop a number of new health promotion services; the general practitioners in Næstved who had to refer patients to the health school; and physiotherapists and nurses in the health schools who had a strong professional interest in this project. These different groups had very different interests and routines. It was not possible to tie them together in a strong way. This does not mean that they were decoupled from each other. Rather, the project that was formalized around them integrated them in loosely coupled structures.

The above described loose couplings between the involved parties were horizontal relationships. But the case-studies also demonstrated that project formalization in the ServPPINs could enable loose, development-oriented couplings between policy and practice. The ability of politicians to determine what should go on in the ServPPINs was limited. In Næstved, the initial political visions were abandoned when the professionals took over. In Gribskov, Momentum and the individual projects had a great deal of autonomy to carry out innovations that were meaningful to the involved actors. Nevertheless, formalization of projects through project money and formal contract was used as a means to handle communication and sensemaking processes between the policy sphere and the practical

sphere, since the participants state that these structures made it easier to communicate political issues and developments to the practitioners.

It can be concluded that the two ServPPINs did not use formalization to create tight couplings, neither horizontally nor vertically, but they used formalization to create loose, development-oriented couplings between the involved actors and between policy and practice. The implication was that it became easier to handle communication and sensemaking processes between the parties in a development-oriented way.

6.3 Obliging each other through formalization

In both cases, a formal project organization was established that created obligations for some of the actors. In Gribskov, the Development Partnership was based in the outsourcing of the services and a contract between the municipality and the firms. In Næstved, a project organization was built around the grant from the Ministry, and the participants were obliged to do certain things that were stipulated in the grant. However, the formal obligations were just a starting point for a recurrent activity of obliging each other which was an open and uncertain process. It was not clear how much the partners wanted to be involved in the projects, whether they wanted to participate only in a minimal way or whether they wanted to do some substantial work together, like in some of the Gribskov projects.

One problem in Næstved was, for example, that not all the participants in the network felt obliged in a similar way. The general practitioners were not prompted by the project to do a special effort. One medical practitioner was appointed to serve as a link to the general practitioners in the municipality. He made them accept the relevance and importance of the work done at the health school. But the general practitioners were not really mobilized for this. The health school employees called up all consultations of the general practitioners in Næstved, talked personally with the doctors' secretaries over the phone and sent out brochures in order to make them send patients to the health school. Nevertheless, the general practitioners were not properly enrolled – and this constituted a problem. No maningful procedures for their participation could be developed. By contrast, in Gribskov, the three participating institutions were requested by the contract to participate; procedures of participation were developed (for example regular meetings). Without this obligation and these procedures, the collaboration had definitely not taken off. Still, this formalization was

relatively weak, because the time used for this work was relatively limited and procedures for implementation of developments made in the collaboration were not developed.

It can be conclude that the two ServPPINs used formalizations not just as formal obligations but also as tools for obliging and enrolling actors, and that this process of obliging each other was critical for the two projects development process. Obliging was continuously negotiated and formalization was only a starting pint that prodded some action for better and for worse.

6.4 Facilitation through formalization

A facilitator is someone who has time and resources to prod collaboration and coordination between different parties and make things happen. A facilitator is often thought to be important in complex organizations, because people do not know each other well; they are embedded in their own routines and have limited time for collaboration.

In Gribskov, the facilitator was the organization Momentum which played a crucial role for coordination of development and change. Again: the role of the facilitator was not to create a consensus among the partners about purpose and goal. In the beginning of the project perhaps, there appear to have been more talk about the purpose and relevance of Development Partnership. But only when concrete projects and project groups were formed, Development Partnership became meaningful for the partners. The facilitator's role was to build up Development Partnership from different sets of projects that were meaningful to the partners.

In Næstved, the most important person for the success of the project was the quality manager in Falck Health Care who was a facilitator both for drafting the project, implementing the project and evaluating the project. In this she worked together with the head of the health care centre and the physiotherapists and nurses that were recruited for the health school. She was employed in Falck health care (the private firm) but she had long time experience from working in a public hospital. This made it possible for her to facilitate the project in a dynamic way.

It can be concluded that in both projects, capabilities for facilitation were developed, which were in both cases a professional role which was formalized and delegated to specific persons who had time and resources for this.

7. Conclusion

The paper has investigated the impact of ServPPINs in health care and health promotion with respect to development and change. How can their capacity to develop and change health care services be understood? ServPPINs were seen as more flexible forms of collaboration among public and private partners that conventional PPPs. They tend to shift focus from financing and control towards development and coordination. They involve people that do not know each other well in processes of coordination and collaboration about development and change. The concepts of sensemaking and small actions was proposed as a starting point for understanding one of the capacities inherent to these arrangements, but stressing formalization and organisational aspects of sensemaking.

The paper scrutinised two ServPPINs in Danish health care for innovations. The characteristics of these innovations were analyzed and discussed. Against the background of this, four elements of the ServPPINs formalization processes were mapped: 1) Approaching each other and compromising through formalization; 2) integration in loose couplings through formalization; 3) obliging each other through formalization; and 4) facilitation through formalization. These aspects of formalization implied that formalization was not just a tool of planning and control. It was turned into a tool of sensemaking with respect to development and change. Formalization was therefore in the cases not just an instrument of organizational control, but also a means to stimulate and handle sensemaking processes in the projects progressively and target them towards development and change.

Largely, these elements were all found in both case-studies. Both were characterized by an incrementalist process of approaching each other and compromising which was stimulated by formalization. Both were characterized by a process of integration characterized by loose couplings between people from different social worlds and with different interests. Both were characterized by some degree of obliging each other stimulated through formalization, though this was perhaps the weakest point. In both cases, a facilitator played a critical role as someone who was dedicated to the coordination, development and change and was able to prompt actions in a formalized and structured way.

The contribution of the paper lies in specifying the role of formalization for sensemaking in ServPPINs with respect to development and change in the area of health care. Further research could focus on some of the limits of the ServPPINs and the way formalization was

used by them, which are also implied by the result of this study. While the investigated ServPPINs have a number of capacities for small actions and incrementalist innovation, they seem to lack capacities for radical innovation and tight couplings. These characteristics of ServPPINs could be investigated more broadly in order to better understand the capacities of ServPPINs.

This latter point may be disappointing for policy-makers and lead them to give up the ServPPINs. The myth about these ServPIINs and network that policy-makers may tend to sustain is that they can radically change services.

The present case-study does not suggest that formalization is always used as a tool of development-oriented sensemaking and that formalization is not also used for planning and control. More qualitative research is needed in order to fully understand how the capacities of the ServPPINs and their weak formalization of relations are adequate for development and change along these lines.

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