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Sustainable Value Co-Creation in Welfare Service Ecosystems

Transforming temporary collaboration projects into permanent resource integration

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The horizontal dimension of value co-creation in welfare service ecosystem
Unexploited user orientation for sustainable collaboration beyond the project period

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Purpose of the study

In this paper, we discuss the unexploited possibilities of user-orientation to promote sustainable governance and management of value co-creation in innovation projects within welfare service ecosystem. The paper's theoretical framework takes the outset in public service logic (PSL) and its user-oriented perspective. As such, we test the thesis that service-innovation seriously requires a user-oriented approach, and that such approach enables horizontal management. Being able to control and lead horizontally creates concrete opportunities to let the coordination processes control organizational structures, but only if we find common ground to do so. Thus, our purpose is to identify opportunities and challenges in collaborative governance and management during the limited time of service-innovation projects, but also how, if at all, collaborative organizations handle and enable projects sustainability after projects end as regards how to jointly govern, lead and drive them forward.

Methodology

The results stem from a two-year research study on service innovation projects governed by a collaborative platform which is also a legally-established financial collaborative association. These projects, seen as service ecosystems, involve value co-creation between service-users and organizations in healthcare, social services, municipal education department, social-insurance service and unemployment office. In order to involve perspectives from different stakeholders, we gathered an empirical material consisting of recorded interviews and meetings with project-managers, project participants, managers, and board members identifying and discussing new ways of value co-creations.

Findings

Amongst our findings, we see that project-managers often experience challenges being the main bearer of the user-oriented perspective. Opportunities appear if viewing this collaborative association as one singular authority, as traditional organizational silos become blurred when a project is run within the association, thus enabling horizontal management. When project funding ends, and the innovation is supposed to transfer into the ordinary operations, the silos reappear. If this effort continues to require the coordination of several different parties, the questions appear clearly; who governs, continues to organize and make the innovation sustainable? Who should the project-manager hand over to? Is it reasonable for the innovation to continue down to a single organization when relating to common target groups? In our study, it becomes clear how the vertical governance and management is prioritized and takes precedence over the horizontal, and reduces possibilities of future joint decisions in the service ecosystem, as user-orientation seemingly disappears when the project funding ends.

Research implications/value/limitations

Finding new ways to collaborate and coordinate our welfare services does not only affect this study, but all forms of organizational collaborations in the public sector, for example joint care planning and collaboration agreements. Studying such complex human services means that the knowledge can, in whole or in part, become valid in many other contexts within welfare. Being able to put the user-oriented approach before the organizational perspective enables different areas of specialization to contribute together towards the user's own value creation without competing and clashing between logics, values, cultures, operational goals, etc. However, our study has its limitations as it only involves Swedish welfare sector, and further research is needed.