

# User co-production of public service delivery: An uncertainty approach

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### Abstract

Engaging public service users as co-producers is expected to lead to more efficient services and better outcomes. What has been missing so far, however, is a solid theoretical basis to explain what compels actors to pursue co-production, or not, and what strategies they adopt in this pursuit. Building on established theories, it is argued that although co-production of public service delivery decreases uncertainty for users, it seems to increase uncertainty for organizations. The main conclusion is that the need of organizations to reduce this uncertainty might diminish the possibilities for users to coproduce. The consequences of this conclusion for future research are discussed in this article.

### Keywords

Contingency theory, co-production, institutional theory, public service delivery, public service organization, uncertainty

### Introduction

Users of public services can take on different roles. They can be regarded as consumers, which became a popular view in the 1980s (Vidler and Clarke, 2005), but

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nowadays the perspective of service users as *co-producers* of public service delivery has gained attention (Brandsen et al., 2012). The contribution of users to the delivery of public services, such as parent participation in child care (Vamstad, 2012), citizen co-production of safety (Meijer, 2012), or patient involvement in health care (Newman and Vidler, 2006), is believed to improve the efficiency and outcomes of those services.

Current research focuses for a large part on the motivations and characteristics of coproducing users (Fledderus and Honingh, forthcoming; Parrado et al., 2013; van Eijk and Steen, 2014), and on specific, often successful cases (Bovaird and Löffler, 2012; Cepiku and Giordano, 2013). What has been missing so far, however, is a solid theoretical basis for explaining what compels actors to pursue co-production, or not, and what strategies they adopt in this pursuit. In particular, the role of organizations remains relatively understudied in the current literature. In this article, we will define such a theoretical basis, building on established theories. A central hypothesis that emerges from the theoretical analysis is that although co-production of public service delivery decreases uncertainty for users, it seems to increase uncertainty for organizations. Therefore, it might not be so easy to realize co-production as it is sometimes assumed.

This raises the question how organizations deal with these uncertainties and importantly, whether they are eager to allow users to coproduce or not. We argue that organizations may employ “closed” or “open systems” approaches to uncertainty, but that the choice for one or the other depends on the institutional context. In the final section, we will discuss the implications of our theoretical analysis for future research on co-production.

## **Uncertainty for service users and organizations**

Users of public services and the organizations providing those services would not have to deal with uncertainty if they were able to see and know everything. In reality, both parties have incomplete information about possible solutions and their ultimate consequences. For instance, when a patient is in need of treatment, both the patient and the doctor will be confronted with some uncertainty about the effectiveness of the proposed treatment—the patient because he or she does not possess the required professional knowledge; the doctor because he or she has limited knowledge of the patient’s body and mind. Both service users and public service organizations (PSOs) have to bear with “cognitive costs” of decision making because of their incapacity to retain, process, and collect all relevant information (Ingram and Clay, 2000: 528).

These cognitive costs are substantially higher for providing and receiving services than for producing and purchasing goods. This is because (1) the quality of services is less easily assessed because of their intangibility; (2) services cannot be produced in standard, homogeneous ways as products can; (3) and because with services, production, and consumption cannot be separated, but this occurs during the interaction between the user and service staff (Parasuraman et al., 1985). Because of these features, the delivery of services is characterized by *interdependence* between

the user and the service provider. An effective service depends on synergy between the actions of the user as well as those of the provider (Ostrom, 1996). This interdependence constitutes the main source of uncertainty for both parties.

Both individuals and organizations are likely to benefit from reducing uncertainty. Uncertainty at the individual level has been related to all sorts of aversive outcomes (e.g., Sorrentino and Roney, 1986) as it leads to a sense of *reduced control* over one's life (Hogg, 2000). Personal control, on the other hand, has been associated with, *inter alia*, stress reduction, sense of ownership, and responsibility (Deci et al., 1999; Mills and Krantz, 1979). For organizations, lack of control and uncertainty may lead to less satisfied employees (Greenberger et al., 1989), but also to suboptimal decision making (Simon, 1979).

Uncertainty can be reduced by increasing the predictability of behavior, for instance, by simplifying processes through established routines, rules, and habits. When services are relatively simple and require little personal interaction, simplification can be a useful strategy. Renewing a passport can be done easily because clear procedures and rules can prescribe the expected behavior of both the citizen and the municipal worker. However, when the environment becomes more complex and less predictable, more active strategies may be needed to reduce uncertainty (Lawrence and Lorsch, 1967). Such complexity is inherent to enduring social services, such as education, health care, and social housing. Here, the problems and their solutions are often defined less clearly, the preferences of users are more diverse, and the range of potential service providers and/or particular services is more varied. A health issue is obviously more complex than renewing a passport; residential care is more intricate than putting your garbage at the curb side.

The types of uncertainties that come along with this interdependence and complexity differ between users on the one hand and PSOs on the other hand. The specific strategies that might be used to cope with these uncertainties might also differ therefore.

For users, uncertainty predominantly relates to service outcomes. Gaining more influence over the way the outcome is reached can reduce feelings of uncertainty. Hirschman (1970) distinguished two mechanisms to influence service delivery: through the use of *voice* and *exit*. Co-production can be added to this model as an alternative way to perceive some kind of control over the service outcome.

With regard to organizations, there are two ways of looking at uncertainty, one based on a *contingency theory*, and the other on *institutional theory*. In the first view, uncertainty is a technical problem, which hinders the production of outputs. Uncertainty is then the "critical contingency" with which organizations have to deal with in order to be effective (Katz and Kahn, 1978; Thompson, 1967). Lack of information about technology and uncertainty about financial support are typical forms of organizational uncertainty (Argote, 1982; Hasenfeld, 1983). When users become co-producers of services, they become also a source of uncertainty. Within contingency theory, this is known as *input uncertainty* (Larsson and Bowen, 1989). Using this concept, we are able to discuss organizational strategies that deal with such input uncertainty.

We will argue that the choice for these specific strategies to cope with uncertainty depends on the institutional context. Institutional theory gives important input to this statement. Institutional theory also takes coping with uncertainty as a starting point, although here, it entails uncertainty about the legitimacy of organizations (Meyer and Rowan, 1977). Yet, before addressing the organizational and institutional context, the strategies to reduce uncertainty for individual users are described.

## **Uncertainty reduction by users: Beyond exit and voice**

### *The importance of uncertainty reduction for users*

There are different strategies for users to influence the way public services are provided. At a fundamental level, being *knowledgeable* about several aspects of services may reduce uncertainty (Averill, 1973). Being well informed helps to understand service characteristics and procedures and contributes to a sense of control. However, available information may not always be complete, or adequate. Some users are more capable of understanding complex information about possible choices, or are better in finding the channels to express their concerns, than others. This tends to be socially stratified, where the lower class is worse off (Taylor-Gooby, 1999). Information is thus insufficient to decrease uncertainty. Hirschman's (1970) well-known mechanisms of *exit* and *voice* might provide some alternatives then. Exit, however, will not always reduce uncertainty, as it is not given that the desired outcome will be reached with another provider. Also, alternatives are not always present, or high transaction costs may be involved. Voice only reduces uncertainty when the organization is able to modify its current service provision, and often, this will take time (Hirschman, 1970: 33). In general, it is very hard for users to notice the effectivity of being consulted, involved, or engaged (Simmons et al., 2012).

Important is the notion that exit, choice, voice, and knowledge only provide *indirect* influence over the service outcome. Within each strategy, the user is, theoretically, placed outside the service provision; in other words, there is a clear demarcation between consumption of the service and production of the service. Within the service dominant approach, however, this logic is strongly contested (e.g., Osborne et al., 2013). We now turn toward this approach, which leads to co-production as an alternative way of reducing outcome uncertainty.

*Co-production: An alternative logic.* Osborne et al. (2013) state that consumers are too often conceived as passive users during the production processes. This is a fundamental problem as the logic of producing and consuming differs. In other words, if the production and consuming phase cannot be regarded as separate, consumers need to be able to say something or be informed about the production and the consumption. Otherwise they will only gain partial control over the service outcome. Getting control over the consumption of services implies that clients are able to shape the service directly through their actions during the interaction with service

professionals, which is in fact co-production. Such behavioral control *directly* influences or modifies the characteristics of the service (Averill, 1973: 287), and might even be able to prevent organizations from delivering poor quality.

Co-production is not a steady state, but rather a continuum (Osborne and Strokosch, 2013). At a basic level, co-production is inherent to the logic of service provision (Osborne and Strokosch, 2013). Every service experience is shaped and defined by the behavior and perceptions of users. Service organizations can only “promise” a certain process or experience—the actual service delivery is a result of the collision between users’ expectations and their experience. Yet, some services require more intense levels of co-production, and others less. Organizations may also be able to provide room for more or less client participation. Thus, co-production can be understood as *an arrangement to which both clients and PSOs actively contribute a mix of activities at the point of delivery of public services* (Fledderus et al., 2014a). Please note that this narrow definition excludes forms of collaboration between, for instance, nonprofit organizations and government, and it also leaves out forms of user involvement in other stages of service delivery, such as design or prioritization (Bovaird, 2007).

Important to stress is that co-production goes “beyond” traditional forms of voice (Dunston et al., 2009). Traditionally, “giving users a say” in enduring social services means the constitution of a representative body, where a small sample of users communicates complaints and/or suggestions within formal arrangements. Here, users do not bear any responsibility in the actual service delivery. During co-production, users become (sometimes literally) “partial” employees (Kelley et al., 1990). They do not only supply ideas to the service creation, but also behavior, time, and other resources, taking over a portion of the service delivery functions (Hsieh et al., 2004). Thus, co-production might be described as the most direct way of influencing public services and their outcomes.

However, there are also barriers for undertaking co-production. The more demanding the act of co-production, the more resources of the user are required, in terms of time, physical work, or money (Jakobsen, 2013). Users would not only have to be able to contribute these resources, they also have to be motivated to do so (Alford, 2009). Moreover, recent research has shown that self-efficacy, i.e. the belief citizens can make a difference, is an important determinant of coproductive efforts, especially of collective co-production (Bovaird et al., 2015; Parrado et al., 2013). As ability, willingness and self-efficacy might be lacking among the most vulnerable group of users, co-production could lead to marginalization (Fledderus and Honingh, forthcoming). Importantly, when users are required to coproduce, but they are unable or unwilling, it is unlikely that this will lead to the expected perception of influence that is supposed to decrease feelings of uncertainty.

Another barrier arises when co-production represents a collective act. Here, groups of users participate and cooperate in the delivery of public services. Because cooperation is the precondition for successful collective co-production, trust within the group becomes an important factor (Fledderus and Honingh, forthcoming). There are several possibilities for this trust to arise. When users are known to each

other, the building of trust is easier than when they are relative strangers. Residents who unite and coproduce neighborhood safety within community policing are likely to know each other, or have some sense of common interest as they live in the same area. However, when such linkages do not exist, there should be other factors than group identification that facilitate trust. Strangers are less likely to trust each other because they have no information about each other's intentions. When there are doubts whether other users are motivated to coproduce, and when there is indeed a chance that people deflect from their duty to provide efforts in the service delivery, the collective co-production process is negatively affected (Pestoff, 2014). The perception that others might contribute fewer efforts in the co-production than you are contributing increases feelings of outcome uncertainty. Hence, features that assure that free riding is impossible, costly, or strongly discouraged, will decrease uncertainty about the behavior of others, and therefore uncertainty about the expected outcome.

Table 1 shows the different strategies that users could use to cope with outcome uncertainty. We have argued that co-production differs from other uncertainty

**Table 1.** Different strategies of users to cope with uncertainty

Strategy	Description	Intended effect	Barriers for users
Knowledge	Gaining knowledge about service process and outcomes	User is better prepared for service process and potential outcomes	User is dependent on information given by PSO; processing complex information might be difficult
Exit/choice	Leaving the PSO for another/choosing a PSO, a service within a PSO or directions within a service	PSO that suffers from exit will try to improve, alternative may lead to successful service; user is able to choose the service that fits his or her preferences best	Uncertainty about alternative options; exit might be costly or no choice is available; information that is needed to make a good choice is often lacking
Voice	Communicating preferences or dissatisfaction through formal or informal channels	PSO alters the service according to user's wishes	Requires communicative skills; organization needs to be responsive
Co-production	Participation in the service delivery process	Direct influence of users' behavior on service outcome	Requires the ability and motivation of users to coproduce; collective co-production requires cooperation among users

reducing mechanisms because it provides the possibility for users to directly influence service outcomes. Nevertheless, as co-production by definition involves at least two parties, it remains impossible for users to gain complete control over the service outcome by acting as a co-producer. PSOs remain to play an important role in the service delivery process. An important question is then: What is the impact of co-production for organizational uncertainty?

It could be argued that when users become integrated into the service process, service staff becomes more familiar with the preferences, attitudes, and behavior of their clients. This increases the predictability of the actions of users, which would decrease uncertainty. However, such integration will not take place from one moment to another. This will require an enduring relationship between user and service provider, effective communication, and mutual understanding (Fledderus et al., 2014a). Before such a relationship is built, it remains unknown for PSO how users will behave when they are involved as co-producers. Hence, users may benefit from co-production by reducing some uncertainty over the service outcome, but it remains the question whether organizations are eager to include users in service delivery.

To better understand the implications of engaging users as co-producers in service delivery for PSOs, we need a theory that describes how organizations respond to external influences. A logical starting point is contingency theory, which primarily deals with external factors (“contingencies”) that moderate the effect of specific organizational characteristics on organizational effectiveness (Donaldson, 2001). Uncertainty is regarded as one of the most important contingencies organizations are faced with. Therefore, the theory is eminently suitable for the analysis of how organizations respond to the uncertainties inherent to co-production. In the next section, we will give a brief introduction to contingency theory and on that basis identify specific strategies that organizations employ to reduce uncertainties.

## **Contingency theory, uncertainty, and co-production**

Contingency theory was formulated in the 1960s and extended years after (Argote, 1982; Thompson, 1967). The core element of contingency theory is *instrumental rationality* (while recognizing the limits of this rationality) and follows a *logic of consequences*: it assumes that “organizations analyze their technical environment and plan appropriate strategies in anticipation of beneficial consequences” (Entwistle, 2011: 661). When organizations take their specific context into consideration, which includes internal and external contingencies (such as task uncertainty and size), they will be able to adapt their coordination by designing specific standards and procedures. Contingency theory attempts to answer the question: Which type of practice works best in a particular situation (Gupta et al., 1994)? So, for instance, within an environment of high task uncertainty (referring to the variability and difficulty of work methods) organic structures (flexibility, joint responsibilities, employee discretion) are believed to perform best, whereas mechanistic structures (hierarchical, centralized decision making,

little discretion) are thought to fit low task uncertainty environments better (Donaldson, 2001: 121).

Thompson (1967) tries to bridge the conflict between the “closed systems” and “open systems” approaches to organizations. Closed systems models do not account for external influences, whereas open systems models neglect the more controllable factors. Thompson tries to integrate the two views, perceiving complex organizations “as open systems, hence indeterminate and faced with uncertainty, but at the same time subject to criteria of rationality, and hence needing determinateness and certainty” (Thompson, 1967: 10). He further notes that a closed systems approach may well be applied to technical functions of the organization, whereas an open systems approach suits the broader institutional environment. To be able to retain “technical core” as a closed system as much as possible, organizations would try to “seal off” the technical core from environmental influences (Thompson, 1967: 19). These influences create uncertainties, which may hinder the “technical rationality,” i.e. the achievement of desired outcomes against a minimum of costs.

Chase and Tansik (1983) argue that the involvement of users in the service process is a source of uncertainty for organizations. Thus, following Thompson, they argue that the less contact users have with the service provision, the higher the efficiency of that service will be. This would mean that, in general, involving users as co-producers is unattractive for organizations, and should be discouraged in favor of efficiency. Rather, client behavior should be as little variable as possible—the less autonomous clients can act, the more predictable their behavior will be (Blau and Scott, 1962).

Thompson (1967) argues that the overall “organizational rationality” is not restricted to its technological rationality. Organizational rationality also involves the input and the output activities surrounding the core technological activities. Because input, output, and technology are interdependent, it becomes impossible to completely “seal off” the technological core. Argote (1982) therefore regards service users as the inevitable, but main source of uncertainty for organizations. Within PSOs, this *input uncertainty* already starts at informing the professional (e.g., a welfare worker) about his or her problems, needs, and capacities (Llewellyn and Saunders, 1998). In other words, by minimizing the coproductive efforts of users, PSOs may actually decrease the quality of their services.

This leads to the conclusion that the attitude of PSOs toward co-production may be ambiguous: on the one hand, it increases uncertainty, on the other hand, PSOs are to a large extent unable to exclude users from their technical core (Thompson, 1967), and moreover, their involvement might be necessary for the quality and effectiveness of the service (Mills et al., 1983). Thus, the challenge for organizations becomes then how to manage user input and the uncertainty that is inevitably attached to it. In order to distinguish different responses of organizations to uncertainty, we will draw on the framework proposed by Brown and Osborne (2012). They argue that organizations can adopt either more closed or more open systems



approaches. In the next section, we will elaborate on these two ways of responding to uncertainty.

## **Organizational responses to input uncertainty**

Organizational responses to uncertainty with respect to co-production can be based on a variety of more closed or more open systems models. A closed systems approach tries to minimize risk and uncertainty—which are interpreted as negative conditions—as much as possible. Uncertainty is regarded as an internal problem that can be managed by changing processes within the organization (Brown and Osborne, 2012). Brown and Osborne (2012: 196) argue, however, that more complex service arrangements require “an open systems approach that acknowledges the fragmentation of both the knowledge base and the task, as well as the need for iterative interaction across a range of partners for successful implementation.” Such an approach focuses on the involvement of the most important stakeholders of a service. This will be explained in more detail after a description of more closed systems approaches, which include *selection of users*, the use of *motivators*, and *professionalization*.

### *Closed systems approaches to input uncertainty*

Input uncertainty depends on two factors: the *diversity of user demand* and the *tendency of users to participate* in the performance of the service (Larsson and Bowen, 1989). On the one hand, organizations face uncertainty about the exact problems and the diversity of those problems as perceived by users. On the other hand, uncertainty exists because it is unknown whether or why the user wants to be involved in the service process. For instance, they could be willing because they are intrinsically motivated to coproduce, i.e. they enjoy their personal involvement. Alternatively, they could feel their active involvement is necessary to guarantee quality. Not knowing the actual motivations of users could have detrimental consequences. A teacher could assume that students recognize that they should participate actively in class and that they enjoy their engagement in discussions. When, however, the students are passive and uninterested, the quality of the class will probably be low (Porter, 2012). A coproduced neighborhood safety project in a Dutch municipality failed partially because some of the volunteers who were supposed to keep watch in the area were more busy with acting as a police officer than with giving residents a safe feeling (Fledderus et al., 2014b). The motivations of the participants were not adequately understood.

Following Larsson and Bowen (1989), organizations could focus on altering the diversity of user demand on the one hand, and on changing the tendency of users to coproduce on the other hand. What does this mean practically?

Organizations could employ a *selection* procedure for the clients who they serve, controlling the variability of user demand (Katz and Kahn, 1978: 130). Selection could take place through eligibility criteria (selecting only those with particular

capacities), or by providing information selectively (for instance, by inviting particular users to participate). The risk from selection is that only the clients who are the easiest to serve are involved—a practice that has been called “creaming” or market segmentation (Fountain, 2001). As a consequence, this could result in a selection of advantaged clients, and marginalizing those who are actually alienated from public institutions (Fledderus and Honingh, forthcoming).

In order to influence the tendency of users to coproduce, so-called *motivators* could be used: incentives for users to engage in service production (Alford, 2009). These could take shape in the form of financial rewards, punishment in the case of deterrence, but also in the form of nonmaterial rewards, such as social recognition or group identity. The effectiveness of these motivators then depends on the characteristics of the users and the type of coproduced activity. For instance, time-consuming and complex activities are less likely to be encouraged through monetary rewards than easy, ad hoc actions (Alford, 2009).

In this reading, selection and motivators are used to curb high levels of user involvement. Although these mechanisms might result in excluding less-advantaged users (who would benefit the most from higher quality services), they could have positive effects at the wider system level. For instance, there could be clear reasons to involve a particular group of residents in a neighborhood watch programme. As volunteers might be exposed to confrontations with suspects, selection on certain criteria might be necessary. It is likely and understandable that those who are responsible for selecting participants (e.g., police officers, public officials) will pick out willing, intrinsically motivated, and cooperative citizens to join the neighborhood watch (considering they might be confronted with violence). Likewise, in the case of health care, it is not unlikely that a doctor will refrain from giving a patient the room to get involved in the treatment, if he or she thinks this patient lacks particular skills (e.g., because of mental disabilities). In these cases, selection might actually improve the outcome (safety, health) for disadvantaged individuals too. Furthermore, selection might be crucial for collective forms of co-production. As mentioned, the success of collective co-production is dependent on the willingness of users to cooperate. In order to increase the likeliness of this cooperation to happen, organizations could use “recruitment and selection processes designed to bring into the system individuals whose values are congruent with those of current organizational members” (Robertson and Tang, 1995: 71). Yet, this may lead to a biased composition of users. For instance, parental cooperatives in Sweden attract mainly highly educated parents with a concern about the quality of child care (Vamstad, 2012). Although such a selection might have positive outcomes for the people involved in co-production, it could also lead to rather closed communities and the exclusion of other citizens (Brandsen and Helderma, 2012).

Finally, professionalism within public service delivery can serve as a way of decreasing uncertainty that comes along with co-production. Through specific, expert knowledge professionals are more easily able to recognize the problems and needs of users. The role of service users is then to trust the advice of experts, to accept hierarchy, and to comply with the directions given by the professionals

(Ewert and Evers, 2014). Indeed, Vamstad (2012: 1177) argues that as a consequence of the professionalization of the Swedish public sector, less room was left for volunteering amateurs, because the “superior knowledge” of professionals would provide the highest service quality. In Dutch school boards, the number of parent board members decreased over the last couple of years due to policy initiatives to professionalize boards (Honingh and Hooge, 2012). Hence, within a closed systems approach, the knowledge of professionals can be classified as “mystical,” limiting the access of users to public services (Brandsen and Honingh, 2013). Involving users would only be risky, as they are uneducated and unskilled to take part in the delivery process (Vamstad, 2012; Whitaker, 1980). Only when they feel that users are capable enough, professionals may decide to allow them to take over some tasks. Professionals are then responsible for “matching” the capabilities of users to the many intermediate levels and types of contributions by users that are possible. For instance, some jobseekers may be left free in starting up their own social enterprise, whereas for others following a job application course might be already a huge contribution.

However, professionals may take upon a different role when a different approach is followed. In an open systems approach, it is understood that the knowledge of professionals is not mystical, but that it is more dispersed. Thus, in order to upkeep legitimacy, they need to engage users more actively in the provided service (Brandsen and Honingh, 2013). This may demand a more open systems approach to uncertainty. What this exactly entails will be described in the next section.

### *Open systems approaches to uncertainty*

As mentioned above, closed systems approaches to uncertainty seek to decrease uncertainty and risks as much as possible. Morgan (2000: 17) mentions that such traditional responses to risk and uncertainty, which are negative and restrictive, “only serve to confirm users’ suspicions, and increase their distance from professionals and thus the chance of risks occurring.” They put too much emphasis on the negative side of risks (while certain organizational risks could be beneficial for users) and on professional knowledge about risks (as users can interpret these risks completely differently; Brown and Osborne, 2012). Therefore, “positive” risk-taking must be preferred, which refers to involving “collaborative working, based on the establishment of trusting working relationships, whereby service users can learn from their mistakes based on taking chances, just like anyone else” (Morgan, 2000: 17).

Such an open systems approach has eye for the potential benefits of risk-taking, and focuses on the involvement of important stakeholders of the service. With respect to co-production, users can be regarded to be the most important stakeholders. An open systems approach entails then that users should be involved in a dialogue about how they perceive risks they take when coproducing; what level of risk the PSO as well as the users are prepared to take; and for what price (costs vs.

benefits) they are willing to take risks (Brown and Osborne, 2012). This means transparent and inclusive management of uncertainty, allowing a plurality of voices to discuss and negotiate which and how risks are to be taken.

In particular, such a transparent, negotiated style of uncertainty management may be preferred when new needs are addressed, or when there are contested views about needs and risks. In the Netherlands, for example, there are a few parental child care cooperatives. However, national regulations restrict such coproduced child care initiatives: they cannot fulfil the “three face criteria,” which states that children are not allowed to see more than three caretakers at the facility. Here, parents and government disagree about the need for and the risk involved with co-production. Brown and Osborne (2012) argue that in such a case, two important stages need to be followed. First, it requires the establishment of “a collaborative process that can enable negotiation to take place with the broad range of stakeholders, to reach a shared understanding of acceptable levels of risk, including acknowledging and attempting to resolve contested views” (Brown and Osborne, 2012: 202). This implies that co-production should not be restricted to the delivery phase, but also to prior phases, such as consultation and decision making (Bovaird, 2007). After this stage, accountability needs to be build into the process. Who is responsible for which risks? Some aspects are in control of the PSO. As said, users often remain dependent on the skills or resources of the PSO. Without adequate support and facilitation, leaving too many tasks to users will foster alienation from the public service. Users might then feel exploited and left alone by the PSO, which may result in lack of control and uncertainty. When the PSO is clear in what the PSO does to make co-production happen, users might also be more prepared to take responsibility for eventual risks.

To summarize, organizations are faced with uncertainty when users coproduce, and there are different approaches to manage this uncertainty (see Table 2). Closed systems approaches focus on internal organizational processes, such as selection

**Table 2.** Organizational responses to uncertainty and co-production

Approach	Description	Strategies
Closed systems	Emphasis on minimizing uncertainty PSO staff determines levels and types of user contributions	Selection procedures Use of motivators Professionalism
Open systems	Emphasis on the benefits of uncertainty PSO staff and users negotiate levels and types of user contributions	Negotiation about risks between PSO staff and users Discussing accountability with PSO staff and users

mechanisms and incentive structures. Open systems approaches involve users in discussing risks and responsibilities that are related to co-production. The question that remains is when organizations opt for closed approaches to uncertainty, and when for open approaches. In the final part of the article, it is argued that this depends for a large part on the institutional environment.

### *Institutional theory and uncertainty*

As mentioned, uncertainty plays a central role in institutional theory too, albeit in a different form. Here, the argument is that uncertainty about stakeholder support leads organizations to respond to “overarching social forces such as norms, standards and expectations held by relevant stakeholders and common to all inhabitants of the organization field” (Kraatz and Zajac, 1996: 821). This idea was supported by the finding that organizations within a particular field tend to become rather similar with regard to structure, goals, and practices (DiMaggio and Powell, 1983).

Institutional theory explains that organizations that are dependent upon the government have the disposition to adopt a bureaucratic form of control, because this is the prescript within government: bureaucracy is the “taken-for-granted” form of organization (Gupta et al., 1994). Hasenfeld and Powell (2004) show that English nonprofit organizations, being involved in the delivery of reemployment services, adopted their original practices to the dominant institutional norms, rules, and cognitive schema of the policy that was designed by government. They conclude that this downplayed the unique character of these nonprofit organizations (such as providing individual-tailored services and innovation): for instance, they started using coercive (rather than participatory) instruments, and focused on performance targets, rather than more broad goals such as empowerment. This turn from the original social purpose to an economic one is known as the problem of “mission drift” (Rees, 2014).

In the same vein as social forces may frustrate the work modes of nonprofit organizations, institutional pressures could lead to less involvement of users as co-producers. The hierarchical mode of governance that results from these pressures tends to focus on accountability through the measurement of *outputs*. This may distract organizations from values that may be important but difficult to measure, in particular those activities that are potentially delivered through user co-production at the input or throughput stage of the service delivery. Even though the critique on performance standards in terms of outputs is known, the practice is persistent (Aiken and Bode, 2009; Lodge and Gill, 2011). In the UK, there have been attempts to move to outcome evaluation, in particular in the case of micro-commissioning. However, in a review, Williams et al. (2012: 84) note that commissioning is often still assessed in terms of activities and outputs, and it remains “unclear how outcomes are being incorporated into the procurement processes subsequent to commissioning decisions.” Moreover, the focus on targets often decreases the *discretion* for both service professionals and users to act. For professionals, it leaves less room to give attention to specific personal problems, or to

invest in personal relations with users (Bonvin, 2008). It therefore also decreases the possibility to negotiate and discuss about uncertainties of co-production, increasing the chance that closed systems approaches will be adopted.

For users, aspects of bureaucratic control such as standardization hinder the input of additional activities, which may be needed to improve the service, or which may even be intrinsically desired by users (Bettencourt, 1997; Larsson and Bowen, 1989). Moreover, fixed-term funding on the basis of overspecified contracts tends to undermine the long-term trust between professional organizations and communities, disrupting the motivation and engagement of the latter to provide input in the service (Milbourne and Cushman, 2013). Thus, as a result of institutional pressures, there may be less space, time, and resources for users to fulfil their co-producer role. When service organizations indeed are guided and controlled by norms, rules, and ideas from their main stakeholder—(local or national) government—it could thus be expected that coproductive efforts are minimized.

This view assumes that government is the main stakeholder from which organizations gain their legitimacy. An alternative view is that users also express particular expectations and needs, which could, when not met by service organizations, reduce the legitimacy of those organizations severely. In fact, this is the argument when scholars refer to a “crisis of trust” (Vigoda-Gadot and Mizrahi, 2014: 2) between citizens and government. In order to “restore” the assumed decrease of public trust, governments should focus on the governance, management, and organization of their public services (Rothstein and Stolle, 2008; Van de Walle and Bouckaert, 2003). For instance, the market-type reforms at the end of last millennium (with the focus on “empowering” instruments such as exit and choice) have been, according to some, proven to be insufficient to gain the support of citizens (see Van de Walle, 2010). It is argued that these reforms have paid too less attention to the coproductive role of citizens (Osborne et al., 2013), and thus new modes of service delivery should focus on the involvement of users in the service process, possibly resulting in improved legitimacy of democratic governance (Pestoff, 2009). Hence, when citizens are perceived as the most important stakeholders, and their involvement is important for the legitimacy of service organizations, it could be expected that organizations will indeed provide structures for co-production and more open systems approaches of uncertainty management.

Yet, this co-production could remain symbolic, rather than a true cooperation between users and professionals to improve the quality of the service. Royo et al. (2011) use institutional theory to explain the need for governments to adopt citizen participation initiatives. They would adopt them “as a symbol of responsiveness and good management, expecting them to be interpreted by citizens as improvements in transparency and accountability, but without necessarily incorporating citizens’ opinions in decision-making processes” (Royo et al., 2011: 141–142). Such behavior is known as “decoupling,” a separation between formal structure and actual activities (Meyer and Rowan, 1977). The empirical analysis of Royo et al. (2011) also shows that citizen participation initiatives are encouraged by (German and Spanish) local governments predominantly because of coercive forces, and not

because they are eager to actually use the views of citizens in their decision making. Legislative pressures appear to be stronger determinants of policy implementation than the perceptions of users.

Another way of organizations to symbolically embrace co-production is to use it in order to shift their own responsibility for reaching outputs or outcomes toward individual users or collectives. This is the main critique on programmes such as the Big Society in the UK, or the “participation society” in the Netherlands: the emphasis on citizen participation and self-reliance is believed to be synonym for cutbacks, and not for any genuine change in policies. Viewed in this way, responsibilities are not negotiated according to an open systems approach, but rather imposed on citizens. Nevertheless, normative forces could sometimes lead to actual change in user behavior. For instance, there has been a major shift in the field of social security, where a focus on rights and duties has been replaced with a notion of citizens as active and responsible human agents (Borghini and Van Berkel, 2007). The increase in active labor market policies, engaging citizens in their own reemployment, shows that normative changes could be combined with actual changes in policy, and in fact could foster co-production.

To summarize, institutional theory predicts that PSOs tend to adapt to governmental pressures, resulting in bureaucratic and output-oriented practices. This leads to more closed systems approaches to dealing with uncertainty and co-production. High levels of co-production and the additional benefits of co-production too, could therefore be thwarted. An alternative prediction is that organizations adapt to the desires of users, who want to become involved, although this might be symbolic, instead of real change of internal organization.

## Conclusion

Our theoretical analysis shows that PSOs might be less compelled to pursue co-production than commonly thought. The involvement of users as co-producers implies an increase in uncertainty for PSOs. Whether co-production will be realized in the first place depends on the way PSOs react on the challenges that come with this uncertainty. The strategies employed by PSOs to cope with uncertainty, in turn, seem to be dependent on the institutional environment of PSOs. Strategies that are designed to minimize uncertainty as much as possible may lead to the exclusion of particular groups of users. They can also frustrate the possibility of users to have an influence in the service outcome. Ultimately, this lack of inclusion and influence perceived by users could lead to a decrease of trust in public service delivery and government (Fledderus et al., 2014a). Thus, in order to organize co-production in a way where both users and PSOs benefit, PSOs will have to accept certain uncertainties that come along with co-production.

This analysis has several implications for future research on co-production of public services. We will provide three suggestions, related to the initial stage, the process stage, and the outcome stage of service delivery (Fledderus et al., 2014a). With regard to the initial phase of service delivery, our analysis shows that the

behavior of organizations influences the extent to which citizens will be engaged in co-production. Therefore, research needs to take into account which and why users are *not* involved in co-production. The cause of exclusion may be found in organizational strategies to cope with co-production, but it may also be the result of a lack of self-efficacy or trust at the individual level.

At the process stage of service delivery, future co-production research should focus on the interaction between the motives and behavior both at the user and the organizational side. Are users indeed able to influence the service process or does their participation remain “symbolic?” Are professionals given the space to go discuss and negotiate the role of users in the service delivery? These questions automatically require an analysis of the institutional environment, including the pressures of important stakeholders, which might limit the ability of PSOs to deal with uncertainty.

Finally, at the outcome stage of service delivery, it would be interesting to investigate how users respond to disappointing outcomes. If users feel that any risk related to co-production is a responsibility of the PSO, disappointing outcomes will likely result in low levels of satisfaction (Fledderus, forthcoming). However, when there are clear agreements on accountability issues (e.g., in an open systems approach), one would expect that coproducing users may also be prepared to take some responsibility for negative outcomes. As a result, users might be less pessimistic in their evaluation of the service.

Verschuere et al. (2012: 1096–1097) have argued that “for systematic advancement, it will be necessary to link the study of co-production more explicitly to general theories widely accepted in the social sciences.” By the use of well-established theories, our analysis has contributed to the improvement of our knowledge on co-production of public service delivery. Most importantly, we have shown that the realization of co-production may encounter serious organizational and institutional resistance.

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