

PAULA ROSSI

# Understanding Systemic Change

Conflicts in the public service development



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Conflicts in the public service development

ACADEMIC DISSERTATION

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In March 2020, writing the first lines of this document, all over the world, universities, schools and companies were closed, all travelling was prohibited, and our nations were facing lockdowns. Even today our world, as we have come to know it, is changing permanently right in front of our eyes due to the corona virus pandemic. Extraordinary times we live in, I must say, and never has the topic of public service systems' change been as relevant as it is today. Challenges and changes we are facing are not incremental, nor planned – hardly any changes in our complex world are – making it crucial to better understand the complexity, as well as the elements, drivers, and pitfalls of public services' systemic change.

Personally, challenging life circumstances triggered my aspiration to become a researcher. I was struggling to understand why it is that we humans seem to inevitably have different, even conflicting experiences and understanding about the same phenomena and situations. No matter how hard I tried to discuss and reason, there would still not necessarily be neither shared experiences nor understanding. That did not make much sense to me.

To fulfil my desire to understand what makes us humans to think, feel and take actions the ways we do, being accepted as a student of Leadership Psychology, University of Lapland in 2012 was a life changing experience for me. I am forever thankful to Professor Juha Perttula, who sadly passed away in 2015, for his expertise and insights. His wisdom, especially in studying experiences, has touched many, and not by least us who had the privilege of being his students. Studying Leadership Psychology was, along with the focus on experiences, also a starting point for my interdisciplinary approach on research.

When thinking about this journey, there are numerous people I am thankful for. I wish to thank all of you, who have inspired, challenged, and supported me during these years. First, I owe my gratitude for my supervisor Jan-Erik Johanson. Thank you for your supportive and encouraging way of being in the world. I want to also thank my pre-examiners Dr. Adina Dudau and Professor Harri Jalonen. Your comments about this doctoral research made me believe that this journey is achievable, and important. Thank you, Dr. Adina Dudau, for accepting the invitation to act as my opponent. I would have loved to have you visit Finland in person.

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On March 30<sup>th</sup> 2021, Kaleva, Tampere

Paula Rossi





# ABSTRACT

Within the field of administrative sciences, this academic dissertation focuses on the crucial role of conflicts experienced in the development of public services and, through this, foregrounds the need to understand systemic change. Overall, the dissertation suggests a paradigm shift in public service research from a focus on cooperation and *doing*, inherent in intra- and inter-organizational approaches, to conflicts of institutional arrangements and *being* as a systemic approach and asks, *how do conflicts increase understanding on systemic change in public services?*

The dissertation utilizes a narrative approach to organizational complexity and sensemaking. Here, complexity-thinking as a methodological tool posits new directions, draws new connections and creates new understandings for public service research, particularly for revealing conflicts (micro-level) in service development initiatives (macro-level) and contributing to understanding the systemic change in public services (meso-level).

An overarching thesis and four peer-reviewed, published articles comprise the dissertation. Two of the articles (sub-studies I and II) discuss the theoretical and methodological foundations for the concept of conflict and explore the role of conflicts in knowledge creation, development and change. The other two articles (sub-studies III and IV) are empirical, qualitative case studies focusing on two Finnish public service development initiatives, theoretically positing connections and understanding conflicts in public service development and change. The empirical articles rely methodologically on an interpretive, hermeneutic phenomenological approach to studying experiences and a case study approach as a research design. The data consist of documents, observations and in-depth interviews and were analysed utilizing a qualitative theory-guided content analysis.

The theoretical framework, based on the sub-studies' results, focuses on exploring the concept of conflicts as *felt meanings and lived experiences of differences in institutional arrangements* (as the different values, beliefs, aims and practices) people bring to multiple spheres of interaction. Importantly, narrative sensemaking of conflict experiences reveals issues of identity, emotions and power relations. As conflicts become, through institutionalization, necessities for knowledge creation, it is crucial to be critically reflexive towards these different, relational meanings of

identities of self and others and the emotions that the experienced conflicts bring up as well as the power relations underlying the conflict experiences.

Further, through this reimagined concept of conflict, the synthesis focuses on understanding public service development as a systemic change. The synthesis suggests that in understanding public services' changes, the narrative sensemaking of experienced conflicts draws attention to four underlying elements of systemic change, namely polyphony (foregrounding the multi-actor service ecosystems), locality (foregrounding the context and time), relationality (foregrounding the relational nature of institutionalization) and reflexivity (foregrounding the sensemaking of experiences as a basis for systemic change).

*Key words:* conflicts, experiences, institutional arrangements, institutionalization, public services, service ecosystems, systemic change



# TIIVISTELMÄ

Tämä hallintotieteen alaan kuuluva väitöskirja tuottaa uutta ymmärrystä julkisten palveluiden kehittämisen kontekstissa ensinnäkin konfliktikäsitteestä ja toisekseen julkisten palveluiden systeemisestä muutoksesta. Kokonaisuudessaan väitöskirjan tuloksena ehdotetaan, että julkisten palveluiden tarkastelussa tarvitaan paradigmanmuutosta, jossa tutkimuksen ja käytännön fokus siirtyy organisaatioiden sisäisistä ja niiden välisistä yhteistyöprosesseista kohti konfliktitunnistavaa systeemistä näkökulmaa. Väitöskirjan tutkimuskysymyksenä onkin, kuinka konfliktit lisäävät ymmärrystä julkisten palveluiden systeemisestä muutoksesta?

Tutkimuksessa ajattelun menetelmällisenä apuvälineenä toimii kompleksisuusajattelu ja erityisesti kertomuksellinen näkökulma kompleksisuuteen ja ymmärryksen luomiseen. Kompleksisuusajattelu toimii siis ensisijaisesti menetelmällisenä ajattelun apuvälineenä – se nostaa esiin uusia ajatuksia ja tarkastelutapoja, luo yhteyksiä ja ymmärrystä julkisten palveluiden tutkimuksessa. Tämän uudelleenajattelun kohteena toimii erityisesti koettujen konfliktien käsite ja rooli (mikrotaso) julkisten palveluiden kehittämishankkeissa (makrotaso) ja näiden avulla tapahtuva julkisten palveluiden systeemisen muutoksen (mesotaso) ymmärryksen lisääntyminen.

Väitöskirja koostuu tästä yhteenvedosta, sekä neljästä vertaisarvioidusta, julkaistusta artikkelista. Kaksi artikkelista (osatutkimukset I ja II) käsittelevät konfliktikäsitteen teoreettisia ja metodologisia lähtökohtia, sekä tarkastelevat konfliktien roolia tiedon luomisessa, kehittämisessä sekä muutoksessa. Toiset kaksi artikkelia (osatutkimukset III sekä IV) ovat puolestaan empiirisiä, laadullisia tapaustutkimuksia, jotka keskittyvät julkisten sosiaali- ja terveystalouden kehittämishankkeisiin Jyväskylässä ja Turussa. Näiden tapaustutkimusten teoriaosioissa keskiössä ovat konfliktien ymmärrys ja yhteys julkisten palveluiden kehittämiseen ja muutokseen. Menetelmällisesti empiirisissä artikkeleissa on hyödynnetty tulkitsevaa hermeneuttisfenomenologista tutkimusotetta kokemusten tutkimuksessa, sekä tapaustutkimusta tutkimusstrategiana. Aineisto koostuu dokumenteista, havainnoinnista sekä syvähaastatteluilta, ja on analysoitu teoriaohjaavan sisällönanalyysin keinoin.

Väitöskirjan yhteenvedon teoreettinen viitekehys pohjautuu osatutkimusten tuloksiin. Viitekehyksessä tarkastelun keskiössä on konfliktikäsitteen tarkastelu *elettyinä merkityksinä ja kokemuksina institutionaalisten järjestelyiden (arvot, uskomukset, tavoitteet ja käytännöt) erilaisuudesta*. Ihmiset tuovat nämä erilaiset institutionaaliset järjestelyt mukanaan vuorovaikutuksen areenoille. Näiden konfliktikokemusten ymmärrettäväksi tekeminen kertomuksellisen ymmärryksen keinoin paljastaa kehittämishankkeiden taustalla vaikuttavia identiteettiä, tunteisiin sekä valtasuhteisiin liittyviä seikkoja. Institutionalisaation kautta konfliktit ovat välttämättömiä tiedon luomiselle. Siksi on erityisen tärkeää kriittisesti tarkastella konfliktikokemusten paljastamia ja suhteissa rakentuvia identiteettiä, tunteisiin ja valtaan liittyviä eroja kokemusten taustalla.

Konflikti-käsitteen uudelleenmäärittelyn kautta tämän väitöskirjan yhteenvedo tuottaa uutta ymmärrystä julkisten palveluiden systeemisestä muutoksesta. Väitöskirjan tulosten mukaan konfliktikokemusten kertomuksellisen ymmärtäminen ohjaa tarkastelemaan julkisten palveluiden systeemistä muutosta neljän elementin kautta. Nämä neljä elementtiä ovat moniäänisyys (nostaen esiin monitoimijaiset palveluekosysteemit), paikallisuus (nostaen esiin kontekstin ja ajan merkityksen), suhteissa toimiminen (nostaen esiin institutionalisaation vuorovaikutteisen luonteen), sekä refleksiivisyys (nostaen esiin kokemusten tarkastelun ja ymmärryksen systeemisen muutoksen perustana).

*Avainsanat:* konflikti, kokemus, institutionaaliset järjestelyt, institutionalisaatio, julkiset palvelut, palvelujärjestelmä, systeeminen muutos

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# ORIGINAL PUBLICATIONS

- Publication I Rossi, P. (2019). Conflicts in leading and managing change: Towards a reflexive practice. In A. Kangas, J. Kujala, A. Heikkinen, A. Lönnqvist, H. Laihonen, & J. Bethwaite, (Eds.), *Leading Change in a Complex World: Transdisciplinary Perspectives* (pp. 165–181). Tampere: Tampere University Press.
- Publication II Rossi, P. (2020). Reimagining organisational conflicts through the metaphor of music. *Knowledge Management Research and Practice*, 18(1), 120–130.
- Publication III Rossi, P., Rannisto, P-H. & Stenvall, J. (2016). Creating innovative public services by fostering conflicts. *South Asian Journal of Business and Management Cases*, 5(1), 1–12.
- Publication IV Rossi, P. & Tuurnas, S. (2021). Conflicts fostering an understanding of value co-creation and service systems transformation in complex public service systems. *Public Management Review*, 23(2), 254–275.

# DECLARATION OF AUTHORSHIP

*Publication I. Conflicts in leading and managing change: Towards a reflexive practice.*  
This is a single-authored article.

*Publication II. Reimagining organisational conflicts through the metaphor of music.*  
This is a single-authored article.

*Publication III. Creating innovative public services by fostering conflicts.*

I conducted the in-depth interviews, collected the document material, participated in the actors' meetings and analysed the material. The methodological choices were suggested by Dr Stenvall, and both Dr Rannisto and Dr Stenvall commented on the manuscript. I wrote this publication and served as the corresponding author.

*Publication IV. Conflicts fostering an understanding of value co-creation and service systems transformation in complex public service systems.*

I conducted the in-depth interviews and analysed the data. The theoretical framework of the publication was developed together with Dr Tuurnas. Dr Tuurnas commented on and proofread the manuscript, which I wrote. I served as the corresponding author for this publication.

# 1 INTRODUCTION

## 1.1 The Wicked Phenomenon of Public Service Development

In Finland, the social and healthcare service sector has long been amid different development initiatives, changes and reforms. Even though Finland's Governments have been working to complete the national social and welfare reform for many years, for the time being, the reform is still an issue for current political debate and decision-making. Consequently, in 2020, Finnish municipalities are still mainly responsible for organizing social and healthcare services. Indeed, multiple actors in public organizations, from governments to municipalities and PSOs (Public Service Organizations), are facing complex, unstructured, ambiguous and uncertain wicked phenomena evoked by our increasingly complex societies (Bryson et al., 2017; Eriksson et al., 2020; Rossi & Tuurnas, 2021). Importantly, solutions are often sought by service system reforms and interlinked service development initiatives, in which the co-creation of value for the lives of citizens is placed at the heart of service management (Osborne et al., 2015; Trischler & Charles, 2019).

The wicked phenomena these public service actors encounter defy a single-actor solution, and the multiple actors involved inevitably hold varying and often conflicting values, interests and agendas (Bryson et al., 2017; Danken et al., 2016; Eriksson et al., 2020). Consequently, disagreement and conflict are an inherent part of wicked phenomena due to the notion that the multiple cooperating actors involved have different interpretations and understanding of the problems and their solutions.

Previous research on collaboration indicates that conflicting logics have an impact on the possibilities of collaboration, thus making it rather difficult (Bryson et al., 2006, 2017) and that cooperation, conflicts and complexity are intervened in multi-level, multi-actor, multi-sector and multi-logic 'spheres' (Bryson et al., 2017) of interaction. Thus, to fully engage with and understand the complexity of the society and the challenges public service organizations and public professionals are

facing, conflicts require attention along with the cooperation inherent in current post-New Public Management (NPM) public service management research.

This is especially relevant in public organizations, which are, according to Hoggett (2006), inherently more complex than private ones for two reasons. First, in the public sphere, conflicting needs, values and policies saturate public organizations and particularly at the point of public service delivery. Second, these contrasting demands escalate, especially in the everyday work of public professionals, who find themselves living out the unresolved (value) conflicts inherent in a complex society. And – as Hoggett (2006, 179) argues – these ongoing and impassioned conflicts are ‘a vital dimension of public life’, and public professionals’ demanding task is to operate in this complex environment, making the study of their experiences a highly relevant theme. Likewise, Benington (2011, 32) explains that the public sphere includes various ‘values, places, organizations, rules, knowledge and other cultural resources’. Thus, public value is continuously created and contested in different spheres of interaction.

Be it a national social and welfare reform or a single service development initiative, this dissertation, and particularly the overarching thesis at hand, argues that in order to achieve development, it is crucial to understand the conflicts of institutional arrangements in different spheres of interaction between the cooperative actors. Thus, the focus on conflicts reveals the different institutional arrangements, as well as the drivers and pitfalls of cooperation and development initiatives that actors address, which, in turn, impact their understanding, decisions, actions and behaviour. This dissertation focuses on the conflicting institutional arrangements of actors involved in public service development initiatives and asks, *how do conflicts increase understanding on systemic change in public services?*

At the core of this doctoral research is the often neglected aspect of change in public services – that is, the meanings ascribed to change by multiple actors. Instead of focusing solely on structural change, explored here is what happens in the context of institutional complexity when people bring their different institutional arrangements, interpretations and expectations to different spheres of interaction, crossing different organizational and sectoral boundaries and levels, and what this informs about development and change in public services. In their research, Bryson et al. (2017, 645) explored this interconnectedness and multiplicity of actors, levels, spheres and logics of action and argue that

[a]ttending to levels is important because levels often are built into constitutions, legislation, regulations and funding arrangements; and because of the long history of parsing social reality into levels in the social sciences and ordinary practical reasoning. We should therefore recognize that action to create public value thus takes place at

multiple levels: individual, group, organizational, inter-organizational network and community, regional, state or provincial, and national and international levels.

In addition, it becomes important to understand the dynamics and complexity of the interconnectedness of these levels. This is because ‘what occurs at different levels and in different arenas and spheres is often moving on different tracks, in different directions, and on varied time frames with often complex, unpredictable and problematic consequences for other actors’ (Bryson et al., 2017, 645). Consequently, ideas, metaphors and analogies deriving from a narrative approach to organizational complexity are in this dissertation utilized as a means by which to explore and understand, first, the concept of conflicts, and second, through conflicts, the wicked phenomenon of public services’ systemic change.

## 1.2 Current Trends in Public Service Research

As Danken et al. (2016) point out, the vast number of studies concerning wicked problems, here referred to as *wicked phenomena*, focuses particularly on the importance of cross-boundary collaboration. Addressing a wicked phenomenon thus requires the involvement and collaboration of multiple stakeholders and actors both within and outside the one’s own organization. Likewise, multiple streams of public management literature emphasize multi-actor and multi-level collaboration, for example, through network governance (see e.g. Jackson & Stainsby, 2000; Hudson & Henwood, 2002; Ferlie et al., 2011), collaborative governance (Blomgren Bingham et al., 2008; Eriksson et al., 2020) and throughout the social contexts of service systems (Bryson et al., 2017; Eriksson, 2019).

Previously, the study of NPM dominated in public administration and public service management research for three decades, and the limitations and disadvantages of NPM started to emerge in the literature mainly in the early 2000s (Raadschelders & Lee, 2011). The public service reforms conducted according to NPM principles were criticized, for example, for not taking the complexity nor the context into account and for NPM’s goals and practices being detached from their public and institutional contexts (Raadschelders & Lee, 2011). Indeed, the principles of NPM evidently contributed to the adoption of ‘one-size-fits-all’ solutions in healthcare services (Berwick et al., 2002), and NPM reforms were seen to be a better fit in tackling intra-organizational issues rather than dealing with the wicked

phenomena provoked by our multi-actor, multi-level, multi-sector and multi-logic societies (Bryson et al., 2017; Eriksson et al., 2020).

The ‘one-size-fits-all’ solutions and, through them, the standardization of service organizations’ internal processes fail to meet the wicked phenomena and the diverse needs and expectations of the citizens and service users (Eriksson, 2019; Rossi & Tuurnas, 2021). To address this miss-match between NPM reforms and the complexity of multi-level, multi-actor, multi-sector and multi-logic public service settings, scholars have been using public service logic (PSL) as a prominent starting point. Recently, contributing to PSL research, particularly the perspectives of social context (Eriksson, 2019), collaborative governance (Eriksson et al., 2020) and service ecosystems deriving from service-dominant logic (Trischler & Charles, 2019) have gained attention.

Furthermore, the research on PSL has been developed utilizing a service ecosystems lens by Petrescu (2019) and Trischler and Charles (2019), suggesting a need to develop a theory of public service ecosystems (Petrescu, 2019). The service ecosystems approach has been an evolving solution to understanding the wicked phenomena public service providers and politicians address (Eriksson et al., 2020; Lee & Lee 2018; Trischler & Charles, 2019; Waardenburg et al., 2019). Even with the recognized importance of the service ecosystems perspective in public service research, for the time being, empirical studies remain scarce. So far, the service ecosystems approach has been connected to the PSL framework by Eriksson et al. (2020), Rossi and Tuurnas (2021), Engen et al. (2020) and, most recently, Strokosch and Osborne (2020).

Importantly, all these streams of research are aimed at enhancing our understanding on public service management and reforms beyond the intra-organizational, silo-oriented focus often claimed to be associated with the NPM approach (Eriksson et al., 2020). Indeed, as O’Flynn (2020) accurately points out, it is at these intersections where development and change have the potentiality to emerge – not in silos. To improve public services by overcoming, for example, the fragmentation of public services as well as to deal with the complex reality, these streams of public service research highlight the need for an increased collaboration and coordination among actors (Christensen & Lægreid, 2011; Denhardt & Denhardt, 2015; Grönroos, 2018; Pollitt, 2003) and the need to turn one’s attention to the multi-level, multi-sector, multi-actor and inter-organizational interaction in addressing the wicked phenomena aroused by our increasingly complex societies (Bryson et al., 2017; Eriksson et al., 2020).

### 1.3 Reimagining Conflicts and Public Services' Systemic Change

Within the public management research, insights from complexity theories are often called for but scarcely utilized in practice (Greenhalgh & Papoutsis, 2018). This dissertation derives from the 'soft line' of complexity theories utilized in organizational studies – the metaphorical approach – and combines it with the critical pluralists' approach (Richardson & Cilliers, 2001; Richardson, 2008; Uusikylä, 2019). Rather than utilizing the concepts derived from complexity sciences to explain the phenomenon under study (as in the metaphorical approach), the aim here is to focus on the ontological and epistemological consequences of complexity, that is, 'how we can gain understanding of complex reality and what can we all know about it' (Uusikylä 2019, 58).

To summarize, here complexity-thinking offers a way to find new perspectives to theoretically understand conflicts and foster the systemic change in public services practically through suggesting new directions, metaphors and analogies of what it means to be a human in an organizational life (see e.g. Stacey & Griffin, 2005). The aim, then, is not to model reality but rather to find new perspectives and understanding (Uusikylä, 2019).

When referring to *systemic change*, it is here recognized that development and change of social and healthcare services is by nature a wicked phenomenon, which involves "individuals, groups, organisations and wider systems at sector and societal levels [...] draw[ing] attention to the structures, interactions and forces that operate within and across social layers and shape causality" (Haynes et al. 2020, 4). Systemic change, then, focuses on patterns of inter-relationships and interdependencies within the service ecosystems' settings. Consequently, to capture the dynamics and complexity of public service development and systemic change, a better understanding of its inherent complexity is needed. A prominent starting point for understanding these dynamics and relations of multi-level, multi-logic and multi-sector interaction is institutional complexity (Greenwood et al., 2011), which refers to the multiple, coexisting and often conflicting institutional arrangements of different actors.

Complexity-thinking, and especially institutional complexity, can enhance our understanding on the multi-level and multi-logic spheres of interaction, where cooperation and conflicts emerge. In addition, what the theorizations of institutional logics and arrangements reveal are both sides of the public service change – for

change to occur, both the meanings and structures must change (Friedland & Alford, 1991; Smets & Jarzabkowski, 2013).

## 1.4 Aims and Research Questions

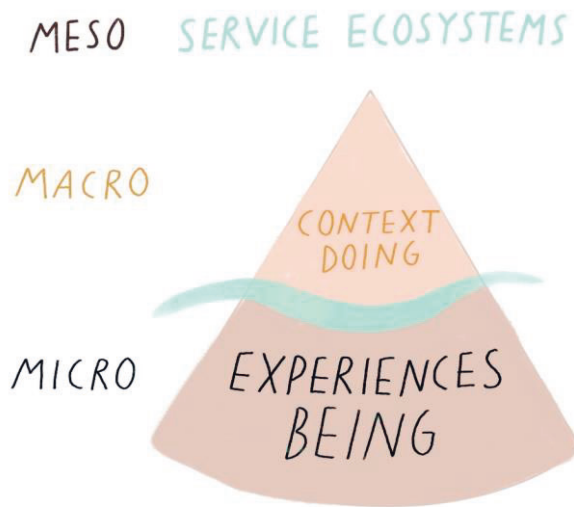
Within the field of administrative sciences, this doctoral research draws a synthesis of ideas from the literature of public management, service management, organizational conflicts, complexity-thinking and narrative studies, all closely related to social sciences. Evidently, the research follows the ideas of Raadschelders (2010), who states that public administration should be interdisciplinary by nature. Like Raadschelders and Lee argue, ‘The multifaceted nature of the society that public servants deal with requires [...] systematically exposed to interdisciplinarity [...] Only by embracing interdisciplinarity can the study of public administration map, discuss, and address the big questions that government faces’ (Raadschelders & Lee 2011, 29).

The dissertation comprises an overarching thesis and four peer-reviewed, published articles. The articles (sub-studies I–IV) constitute the basis for this summary. Two of the original articles (sub-studies I and II) discuss the theoretical and methodological foundations for the concept and study of conflict as well as explore the role of conflicts in knowledge creation, development and change. The other two articles (sub-studies III and IV) are empirical, qualitative case studies with a focus on two Finnish public service development cases, both theoretically positing the connections among and understanding of conflicts in public service development and change.

The purpose of this thesis is twofold. First, it elaborates on the empirical, methodological and theoretical foundations and relationship of the sub-studies. Second, and importantly, the summary aims to develop an overarching framework – kind of a meta-narrative – about the concept of conflicts and a synthesis for understanding the implications this framework has for understanding public services’ systemic change (Figure 1). To summarize, this thesis considers the research process and its sub-studies as a whole by building on the theoretical, methodological and empirical choices made in the sub-studies. Instead of a specialized, method-driven study, this doctoral research offers a more generalist view on public service research. By paying attention to the ontological and epistemological questions within the field of administrative sciences (Raadschelders & Lee, 2011), I am relying on



qualitative approaches to hermeneutics and narrative studies in knowledge creation and sensemaking.



**Figure 1.** The framework for understanding public services' systemic change

The purpose of this doctoral research is to shift the focus of public service research from single public service development initiatives towards public service ecosystems and to contribute by creating understanding on the concept of conflicts. As a synthesis, through the reimagined concept of conflicts, this dissertation increases understanding on the elements of public services' systemic change. Overall, the dissertation suggests a paradigm shift of public service research from a focus on cooperation, inherent in intra- and inter-organizational approaches, to conflicts and as the public service systemic approach. Thus, I am arguing that the current focus of public service research at the organizational level does not capture the complexity of the wicked phenomenon of public service development. Consequently, a more holistic, dynamic and in-depth understanding is needed. To meet these aims, the following question is asked: *how do conflicts increase understanding on systemic change in public services?*

The dissertation comprises four peer-reviewed, published articles as the dissertation's sub-studies and this overarching thesis. The thesis is structured as

follows. In the chapter that follows, the original articles are introduced, and a summary of the articles is presented. The articles and their summary comprise the core of this thesis, laying the ground for the thesis's methodological, theoretical and empirical choices and contributions. In Chapter 3, the methodological approaches and analytical tools are introduced. Chapter 4 presents the framework of conflicts in the development of public services. Then, the thesis continues with a synthesis in Chapter 5, presenting a narrative sensemaking approach to and elements on understanding public services' systemic change. To conclude, the theoretical, empirical and methodological contributions of this doctoral research are discussed, and the dissertation's limitations and future research avenues are covered. The original articles (I–IV) can be found in the Appendix.

## 2 SUMMARY OF THE ARTICLES

This overarching thesis utilizes the articles as the primary source for the dissertation. The aim, then, is to reimagine the concept of conflict and explore the implications this reimagined concept has for understanding public services' systemic change. The four sub-studies address the dissertation's aim from different angles, and therefore the articles have approaches and research questions of their own (Table 1). The approach of articles I and II is conceptual and focuses on exploring the concept of conflicts from the perspective of experiences, building both the theoretical and methodological approach of this dissertation. Articles III and IV, then, contribute to the overall framework with an empirical approach and introduce two qualitative case studies in which social and healthcare service development initiatives are foregrounded. In this chapter, I present a summary of each sub-study and conclude with the results of the sub-studies. In doing so, this chapter ties the articles together and lays the ground for answering the overall research question of *how do conflicts increase understanding on systemic change in public services?*

**Table 1.** Summary of the articles

	<b>Article I</b>	<b>Article II</b>	<b>Article III</b>	<b>Article IV</b>
<b>Approach</b>	Conceptual: experienced conflicts, organizational change through a reflexive practice	Conceptual: systems-thinking approach, reconceptualizing the concept of conflict	Empirical, qualitative case study: a social and healthcare service development initiative	Empirical, qualitative case study: a youth service development initiative
<b>Research question</b>	How organizational actors could better cope with the boundary-spanning, dynamic and open challenges provoked by our complex societies, and what kind of expertise and practices they would require	What underlying aspects the metaphor of music reveals about organizational conflicts, and how people make sense of their conflict experiences	What the multiple, coexisting institutional logics were that the actors needed to cope with, and how leadership in the public sector could foster the development of innovative social and healthcare services	What the conflicts between organizational actors are, and how these identified conflicts affect the processes of value co-creation and service system transformation
<b>Theoretical discussion</b>	Conflicts (Cooley, 1918; Kolb & Putnam, 1992; Pondy, 1992); complexity (Mowles, 2015; Stacey, 2011); public services (Parrado et al., 2013); experiences (Rauhala, 1983, 1992, 1998); reflexivity (Chia, 1996; Cunliffe & Jun, 2015; Tsoukas, 2011)	Conflicts (Hinds & Bailey, 2003; Nonaka & Toyama, 2003; Skålen et al., 2015); systems-thinking (Arnold & Wade, 2015; Trischler & Charles, 2019); knowledge creation, institutionalization (Blomgren & Waks, 2015; Nonaka & Takeuchi, 1995; Nonaka & Toyama, 2003; Vargo et al., 2015)	Conflicts and innovations (Andrade et al., 2008; Stacey, 2011; Wall & Callister, 1995); public services (Parrado et al., 2013); institutional logics, work and complexity (Blomgren & Waks, 2015; Greenwood et al., 2010; Smets & Jarzabkowski, 2013)	Conflicts and institutional arrangements (Greenwood et al., 2010; Skålen et al., 2015; Vargo et al., 2015); value co-creation (Osborne et al., 2015; Osborne et al., 2016; Trischler & Charles, 2019); service ecosystems (Akaka et al., 2013; Eriksson et al., 2020; Trischler & Charles, 2019; Vargo et al., 2015; Vargo & Lusch, 2016)

## 2.1 Conflicts in Leading and Managing Change: Towards a Reflexive Practice

The aim of this theoretical article (see Rossi, 2019) is to increase understanding on managing and leading complex change processes in organizational settings. The need for rethinking management arises from the complex challenges today's societies and organizations are facing, which, in turn, place increasing demands on leadership and management (Durose et al., 2013; Parrado et al., 2013; Rossi, 2019). The article focuses on understanding organizational conflicts as integral to organizational life and development, and the research question of the article ponders issues around *how organizational actors could better cope with the boundary-spanning, dynamic and open challenges provoked by our complex societies, and what kind of expertise and practices they would require.*

Combining insights from complexity sciences, psychology and organizational studies, the article contributes by foregrounding people and their experiences in practices of leadership and management (Mowles, 2011; Rauhala, 1983, 1992, 1998; Stacey, 2011, 2012). The article follows the argument that being reflexive towards conflicts in organizational life can, through the movement of thinking, promote the development of individuals, and through individual development, promote organizational change. To explore this argument further, a framework of a reflexive practice is introduced. The framework suggest that there is a need to, first, concentrate on the micro-processes in organizations and explore the experienced conflicts and differences in values, beliefs, aims and practices people bring to interaction, and second, to understand the role of experiences and social interaction not only in everyday organizational life but also as necessities in understanding and leading change.

The potentiality of conflicts as a productive phenomenon and their ability to generate positive outcomes is not new in organizational research (Coser, 1956; Deutch, 1969; Pondy, 1992). However, in everyday organizational life, conflicts are often considered as problems needing to be managed, eliminated, controlled or tamed down (Putnam, 1997). In contrast to this view, this article foregrounds conflicts as an essential part of human interaction and social life as well as necessities for development. To explore this further, the article sets the ground for reconceptualizing organizational conflicts as relational, felt meanings and lived experiences. This renewed understanding on the characteristics and nature of conflicts, then, foregrounds the situatedness and relational sensemaking of conflict experiences, which, in turn, highlights the importance of critically reflecting on the relationally formed experiences within the context in which they occur (Brown &

Heggs, 2005; Rauhala, 1983, 1992). Instead of taming down, suppressing or even avoiding conflicts, managing and leading complex change requires acknowledging the conflicting institutional arrangements people bring to interactions and utilizing critical reflexivity as a managerial practice (Chia, 1996; Cunliffe & Jun, 2005; Tsoukas, 2011). Importantly, the article argues about the crucial role of making sense of experienced conflicts, brought into a reflexive practice, as a driver of both individual and organizational change.

## 2.2 Reimagining Organizational Conflicts through the Metaphor of Music

The purpose of this conceptual article (see Rossi, 2020) is to foreground the vital role of conflicts in knowledge creation and organizational development. To meet this aim, the concept of organizational conflict is reconceptualized. The starting point of the article is on the underlying assumption that the predominant research paradigm utilizes the mechanistic approach's 'thingification' (Andriessen, 2008) to understanding conflicts, which fails to capture the complex reality of organizations. Rather, following the systems-thinking view and the complexities of everyday organizational life, deepening the understanding on underlying structures and dynamics, addressing the dynamic tensions, exposing multiple perspectives, assuming emergent causality instead of linear cause-effect and illustrating the plurality of voices should be foregrounded (Arnold & Wade, 2015; Greenhalgh & Papoutsis, 2018).

As a methodological choice, the metaphor of music is utilized as a way to create new knowledge through revealing the contradictory meanings ascribed to the concept of conflict by detaching it from its dominant vocabulary (Elenurm, 2012; Lakoff & Johnson, 2003; Tsoukas, 2009; Wurmser, 2011). Thus, the music metaphor is expected to manage the imagination (Spender, 2008) about the concept of organizational conflict by asking the following two research questions: *what underlying aspects does the metaphor of music reveal about organizational conflicts, and how do people make sense of their conflict experiences?*

With an aim to foreground the role of conflicts in knowledge creation, the article suggests that conflicts are embedded in interaction and organizational life and, therefore, are both necessities and potentials for organizational development and change (Nonaka & Toyama, 2003; Rossi & Tuurnas, 2021; Skålen et al., 2015). To proceed with this relational view on organizational conflicts, it is suggested that

knowledge is created through institutionalization (Rossi & Tuurnas, 2021; Trischler & Charles, 2019; Vargo et al., 2015). Institutionalization refers to processes where people with conflicting institutional arrangements (values, aims, beliefs, assumptions and practices) are interacting with one another and synthesize these contradictory institutional arrangements in attempts to pursue understanding on the evolving organizational life. Importantly, a focus on the conflicts of institutional arrangements is essential because these varying and conflicting institutional arrangements underlie the decisions, behaviour and actions of people (Skålen et al., 2015; Vargo et al., 2015).

The theoretical framework foregrounds conflicts as key drivers for knowledge creation and organizational development (Nonaka & Toyama, 2003; Rossi, 2020). To understand how the sensemaking of the conflict experiences occurs, the framework and conclusions of this article suggest that conflicts emerge in the thought processes of an individual whilst one makes sense of the experienced conflicts by questioning one's own thinking, experiences and the ways that one relates with others and the world (Chia, 1996; Heidegger, 1966; Rossi, 2019). The metaphor of music, and more particularly the dimensions structuring musical meaning – form, volume, harmony, rhythm and texture – are used as a methodological tool to reveal the aspects of the concept of conflict that are present but hidden (Andriessen, 2008; Lakoff & Johnson, 2003; Tsoukas, 2009). Thus, a systems-thinking view and foregrounding the complexities of organizational life, here through the methodological choice of metaphors, offer an important way for rethinking the phenomenon under study.

As a result, the concept of conflict is reimaged as the relational, felt meanings and lived experiences of differences in institutional arrangements. This reimaged concept shifts the focus from understanding conflicts via the mechanistic approach's 'thingification' to systems-thinking's relational and evolving view. As a synthesis, the underlying aspects of evolving stories, identities, emotions and power relations that lie beneath the sensemaking of experienced organizational conflicts are revealed.

The view on organizational conflicts as differences in human interactions and in the thought processes of the individuals experiencing them suggests that knowledge creation is happening in inherently relational, yet individual, thought processes whilst one makes sense of the conflicts by questioning one's thinking, experiences and the ways one relates to the world (Chia, 1996; Heidegger, 1966; Spender, 2008; Rossi, 2019). Important to add is that the metaphor of music also draws attention to the role of one's body and knowledge creation through institutionalization as an embodied phenomenon. Understanding conflicts as felt meanings and lived experiences entails both the physical and social reality one experiences and

foregrounds the hidden, informal, private and social meanings to bodily felt and lived experiences – that is, being in the world.

## 2.3 Creating Innovative Public Services by Fostering Conflicts

In this article (see Rossi et al., 2016), the purpose is to gain qualitative, in-depth understanding on leading and managing in the public sector that supports the development of innovative public services. The article draws from the literature on institutional logics, complexity and work (Smets & Jarzabkowski, 2013) and views addressing the conflicting institutional logics in the complex context of public sector work and management as crucial in developing public services. Then, the purpose of this article is to explore what the hidden mechanisms and logics behind the practices in everyday work in a service development case are, and what the conflicts and intersections of these logics reveal about leading innovative public services. The research question addresses this issue by asking *what the multiple, coexisting institutional logics were that the actors needed to cope with, and how leadership in the public sector could foster the development of innovative social and healthcare services.*

In this empirical research, a qualitative case study design was utilized to foreground the interconnectedness of the complex context and the social world's empirical events within that context (Bhaskar, 2014; O'Mahoney & Vincent, 2014). The case study focused on a Service Point (Monipalvelupiste) project in the Finnish city of Jyväskylä. The project's aim was to improve the cost efficiency, processes and practices of social and healthcare services and to develop the service network and structures to meet the foreseeable demographic changes. The case study focused on the experiences of actors coping with the complexity of multiple logics in the development phase of the Service Point project. The data were collected in two phases. First, the written documents (the City of Jyväskylä's strategy and the report concerning the Service Point project) were analysed in order to describe the case. Then, in the second phase, observations in four actor meetings held in Jyväskylä and in-depth interviews with key actors (n=7) of the Service Point project were conducted. Both the field notes from the actors' meetings and the transcribed interviews were analysed using theory-guided content analysis (Tuomi & Sarajärvi, 2009).

The article's results suggest, that in order to manage and develop innovative public services, there is a need to consider the service perspective, aim towards



hybrid practices, and to change the meanings given to cooperation. First, it became evident that throughout the Service Point project, decisions were mainly made from the perspective of achieving cost-savings through estate arrangements and that neither the service producers nor citizens participated in the decision-making. The service producers' experience was that there would have been possibilities to develop innovative ways of working during the project if services would have been foregrounded as the basis for planning and decision-making in addition to overcoming the borderlines of different service sectors. Second, for the service producers, the innovative public services as renewed operational processes, first and foremost, meant a need to plan and develop the usage of joint estates and new hybrid practices as new ways of working together. Within the Service Point project, these needs were not considered, and no actions were taken to foster the development of hybrid practices.

Third, the results revealed that there was a need to expand the meanings given to cooperation in order to develop innovative public services. This created a need to include citizens and service users as well as service providers from the public, non-profit and private sectors in the development of services at early stages. First and foremost, earlier citizen participation and service development from the basis of service users' needs were called after.

As a summary of the results, two conflicting institutional logics affecting the decisions, practices and actions of the actors in the case studied were identified. First, a dominant costs-based logic guided the actions and decisions of public administrators and politicians at the strategic level of public service management. Second, at the operational level, the service-based logic of the citizens and public service producers was conflicting with the dominant costs-based logic.

In this article, the study of conflicts of multiple institutional logics as a focal point for developing innovative public services is foregrounded. Further, the article shows how actors are unable to foster the development of innovative services in a situation where the institutional logic underlying the public managers' and politicians' decisions and actions fails to take the service perspective, development of hybrid practices and expanded meanings of co-operation into account. Public sector managers and politicians hold a position with the ability to either constrain or enable the development of innovative public services and the underlying institutional logics (Lawrence et al., 2013; Smets & Jarzabkowski, 2013), thus foregrounding the need to address the power relations and power imbalances in service development initiatives. By revealing the conflicting institutional logics behind the actions,

decisions and thoughts of actors, the drivers and pitfalls of innovative public service development can be addressed.

The need for a systems-thinking perspective was evident in the results – such a perspective is needed to expand the meaning of cooperation to involve multi-actor, multi-level and multi-logic perspectives and to explore the conflicts within the spheres of interaction. Systemic change is not about foregrounding the structures, levels or details of public services; it is about understanding the interaction within and between the different spheres of systems. As stated in the article, the institutional transformation of public services requires a change in both the structures and the meanings (Rossi et al., 2016), thus foregrounding the study of experiences to capture these changing meanings. Implications for future research include, for example, further studying public service development by placing the needs of the service users and citizens at the core and highlighting the need for rethinking cooperation in a multi-actor setting from the perspectives of value co-creation and systems-thinking.

## 2.4 Conflicts Fostering an Understanding of Value Co-creation and Service Systems Transformation in Complex Public Service Systems

Public organizations seek solutions to the complex, unstructured, ambiguous and uncertain challenges evoked by our increasingly complex societies via service system reforms and single service development initiatives. Often, the co-creation of value for the lives of citizens and service users is foregrounded in service management (Osborne et al., 2015; Trischler & Charles, 2019), especially when the traditional paradigm of public management fails to address the complex problems (Osborne et al., 2015; Virtanen & Kaivo-oja, 2015). The purpose of the article is to unravel and widen the scope of value co-creation from a systems' perspective by *identifying conflicts between organizational actors and asking how these conflicts affect the processes of value co-creation and service system transformation*. To meet this purpose, a framework of complex public service systems is introduced (see Rossi & Tuurnas, 2021).

Empirically, a qualitative case study of a youth service development initiative in the Finnish city of Turku was conducted with a focus on the organizational dynamics, actors and interactions through conflicts of institutional arrangements. Youth services illustrates a complex context in which the conventional approaches to public service delivery may fail to address the complex problems of the youth. Therefore, a complexity-informed research approach was utilized. Complexity-

informed research recognizes the uncertainty, complexities and dynamics of everyday organizational life, focuses on evolutionary change and addresses multiple levels of scale (Castelnovo & Sorrentino, 2018; Eppel & Rhodes, 2018; Haynes, 2018; Vargo & Lusch, 2016).

The data were selected via purposive sampling (Jupp, 2006), and key actors (n = 13) of the youth service development initiative were questioned in in-depth interviews. The data were analysed using qualitative theory-guided content analysis (see Gläser & Laudel, 2013; Krippendorff, 2013). The aim of a case study design is to gain in-depth understanding on the studied phenomenon within the context in which it occurs (Flyvbjerg, 2006).

First, the findings reveal the conflicts in the attempts to co-create value. Second, the findings address the question of how these conflicts affect the processes of value co-creation and service system transformation. The identified conflicts dealt with issues of understanding the needs of the youth, understanding value, understanding the roles of multiple actors and understanding the transformation of service systems. Furthermore, the organizational actors had conflicting understandings about how to determine for whom the value should be co-created; what value is, from whose perspective and how it can be measured; how to co-create value in a multi-actor service system; and, finally, how to co-create value within a complex public service system.

To conclude, conflicts, as drivers of service system transformation, foster understanding on value co-creation and its underlying challenges as well as increase understanding of service system change (Rossi & Tuurnas, 2021; Skålen et al., 2015). Theoretically, a complex public service system framework benefits both the research on and management of value co-creation. The framework contributes to the existing literature grounded in PSL on value co-creation from a systems' perspective in three ways. First, the service ecosystem approach contributes by offering a more realistic lens for understanding value co-creation and the role of institutionalization within it (Vargo & Lusch, 2016; Vargo et al., 2015; Vink et al., 2019). Second, the complexity-informed approach fosters a more holistic and dynamic understanding of value co-creation through combining micro-level interactions with macro-level system structures and patterns (Eppel & Rhodes, 2018; Castelnovo & Sorrentino, 2018; Haynes, 2018). Third, the article contributes in understanding and foregrounding conflicts as drivers of service system transformation (Skålen et al., 2015).

The framework of complex public service systems suggests that value is co-created (1) in often complex ways; (2) by placing the needs of service users at the centre of all activities; (3) by individuals at different levels and networks interacting

with often conflicting institutionalized aims, values, beliefs and practices; (4) within a multi-actor setting where power is unequally distributed; and (5) in overlapping complex service systems that cross organizational as well as system boundaries. The implications of the framework suggest that managing the development of public services by placing the value co-creation at the heart of the initiatives is about realizing, accepting, understanding and balancing the different institutional arrangements that actors bring to the value co-creation processes. In addition, the focus on the conflicts of institutional arrangements fosters an understanding on the drivers and pitfalls of the approaches of value co-creation and service systems' change.

## 2.5 Towards an Understanding of Public Services' Systemic Change

To create a holistic and in-depth understanding of the studied phenomenon, the sub-studies focus both theoretically and methodologically on studying and understanding the experiences of conflicts. Next, in Table 2, a summary of the articles' results is presented with the aim to lay ground for the framework of this dissertation.

**Table 2.** Summary of the articles' results

	<b>Article 1</b>	<b>Article 2</b>	<b>Article 3</b>	<b>Article 4</b>
<b>Concept of conflict</b>	Conflicts as differences among people, inevitably present in everyday organizational life and in spheres of interaction	Conflicts as relational, felt meanings and lived experiences of differences in institutional arrangements in spheres of interaction	Conflicting institutional logics of the actors in the complex context of public service development	Individual's experience and understanding of a given situation or phenomenon which is different from that of others involved
<b>Complexity-informed research reveals the characteristics of conflict</b>	Conflicts as a subjective experience; the importance of the context of the one experiencing, the sensemaking process and critical reflexivity	Focus on the felt meanings and lived experiences of individuals; emotions, identities, power relations; sensemaking	Differences among individuals and groups of people in multi-actor, multi-level settings as conflicting, multiple institutional logics	Differences of institutional arrangements brought to spheres of interaction guiding the development of services and changes in service systems
<b>Role of experienced conflicts in public service development</b>	Understanding conflicts as integral to organizational life, utilizing the differences as drivers of change	Conflicts as necessities for knowledge creation; knowledge is created through institutionalization, where conflicting institutional arrangements are brought to spheres of interaction	Conflicts reveal the institutional logic of the one experiencing; understanding conflicts in multi-actor settings as a basis for innovative service creation	Conflicts in service development initiative reveals the conflicting institutional arrangements underlying the actions, decisions and behaviour of actors within the complex public service systems
<b>Role of experienced conflicts in systemic change</b>	Conflicts and change in individuals' institutional arrangements are prerequisites for systems-level change	Conflicts as drivers for systems' transformation	Conflicts reveal the need to focus on and manage multi-actor, -level and -logic service systems	Conflicts turn the focus on institutionalization and value co-creation in complex public service systems

Addressing the overall research question of this dissertation, conceptual sub-studies I (Rossi, 2019) and II (Rossi, 2020) are aimed to increase understanding on the role and characteristics of conflicts in managing and leading change processes in complex service systems' settings. Sub-studies III (Rossi et al., 2016) and IV (Rossi & Tuurnas, 2021) address the same aim through empirical research by introducing two qualitative case studies, located in the context of the Finnish public sector, and focusing on two different social and healthcare services' development initiatives.

Through the complexity-informed perspective, sub-studies I and II highlight the importance of foregrounding the experiences and dynamics of everyday organizational life. Both articles hold an underlying assumption that the traditional approaches to studying and conceptualizing the concept of organizational conflicts fails to capture the dynamics and complexity of everyday organizational life. In contrast to the traditional, mechanistic approach to the study of conflicts, the complexity-informed research approach focuses on the micro-processes, foregrounds the dynamic tensions, exposes multiple perspectives, assumes emergent causality and illustrates the plurality of voices (Eppel & Rhodes, 2018; Greenhalgh & Papoutsi, 2018; Haynes, 2018; Rossi & Tuurnas, 2021).

With a micro-process view, in sub-study I (Rossi, 2019), the conflicting institutional arrangements of people cooperating in complex organizational settings lay the ground for studying conflicts as subjective experiences. In the article, the notion of experiences as meaningful in relation to all aspects of the experiencer's life context are foregrounded, and the process of sensemaking of conflict experiences precedes the transformation of these meanings and, through change in meanings, the actions and behaviour of people. Evidently, the systems-thinking approach as well as the focus on conflict experiences has important implications for understanding the concept of conflict.

In sub-study II (Rossi, 2020), utilizing a complexity-informed perspective, the concept of organizational conflict is reframed using the metaphor of music as a methodological tool. As a result, conflicts are conceptualized as relational, felt meanings and lived experiences of differences in institutional arrangements, laying the ground for both methodological, theoretical and empirical choices in the following sub-studies III (Rossi et al., 2016) and IV (Rossi & Tuurnas, 2021). In addition, sub-study II (Rossi, 2020) also foregrounds and explores the process of the sensemaking of experienced conflicts. Through a systems-thinking view and using dimensions structuring musical meaning as a methodological tool, the human aspects of identities, emotions and power relations that underlie the sensemaking of experienced conflicts are revealed.

In common to all articles is that they address organizational conflicts as differences in institutional arrangements arising from the spheres of interaction experienced by individuals and made addressable through sensemaking. Thus, an important notion presented in all the articles focuses on institutional arrangements' role in understanding the role of conflicts in public service development initiatives and public services' systemic change. As empirical sub-studies III and IV suggest, institutional arrangements (referred to as institutional logics in sub-study III), as multiple, often conflicting values, beliefs, aims, assumptions and practices available to individuals at the same time within the multi-actor, multi-level service ecosystems' settings, are of importance because they hinder or foster the actions, decisions and behaviour of people. To proceed, theoretically in sub-study I (Rossi, 2019) and empirically in sub-study IV (Rossi & Tuurnas, 2021), the conflicts of multiple institutional arrangements, through a mechanism of *institutionalization*, are presented as drivers of knowledge creation and, through knowledge creation, as contributing to the development of public services and systemic change.

To summarize, first, conflicts are integral to interaction, cooperation and development, and, therefore, a focus on conflict experiences provides a richer understanding of the dynamics of everyday organizational life and organizational complexity (Putnam et al., 2014; Rossi & Tuurnas, 2021; Vince, 2014). Second, as conceptual sub-studies I and II particularly suggest, being reflexive towards experienced conflicts – the sensemaking of conflict experiences – becomes a necessity in understanding and fostering change and development in complex organizational and service ecosystems' settings (Rossi, 2019; Rossi, 2020).

### 3 METHODOLOGY: SENSEMAKING OF CONFLICT EXPERIENCES

The first subchapter of this methodology section introduces the philosophical underpinnings of this research. To continue, the research approach is discussed, and the methods for data collection and analysis utilized in the empirical articles are covered. However, of note, this thesis at hand focuses on building a comprehensive framework for the concept of conflicts, and, through it, a synthesis for understanding public services' systemic change. To meet this aim, the theoretical discussion and theory-building through an interpretive, phenomenon-driven research approach is prioritized over the empirical data. Thus, this overarching thesis considers the research process and its sub-studies holistically, and instead of analysing any particular sets of data, builds on the theoretical, methodological and empirical choices made in the sub-studies.

Overall, this doctoral research is qualitative by nature. Qualitative research approaches are particularly useful when the aim is, first, to gain a rich understanding on the studied phenomenon within the context in which it occurs (Cunliffe & Coupland, 2011; Eisenhardt, 1989; Piening et al., 2014) and, second, when the research focuses on highlighting the lived experiences, foregrounding the sensemaking of those experiences and dealing with complexity at work (Bindl, 2019; Chase, 2005). Importantly, understanding lived experiences is essential to creating a more holistic view of the dynamics and complexities of the phenomenon under study.

#### 3.1 Hermeneutic Phenomenology as Philosophical Foundation

The studies on experience have been crucial underpinnings in developing this doctoral research, particularly by phenomenological studies' interest in individuals' meanings of lived experiences of a concept or a phenomenon. The phenomenological approach to qualitative research holds strong philosophical foundations influenced greatly by the thoughts and writings of philosophers and



scholars such as Heidegger, Husserl and Merleau-Ponty and Finnish scholars Lauri Rauhala and Juha Perttula. This phenomenological approach, with an interest in lived experiences, assumes that the reality of something is always related to one's consciousness of it (the intentionality of consciousness) and that the reality of an object is only perceived within the meaning of the experience of an individual (the refusal of a subject-object dichotomy) (Creswell, 2007).

Related to these assumptions, first, the structure of experience, according to Perttula (2008), is profoundly a relationship connecting the experiencer (the subject) and the experience (object) to a whole. What then becomes crucial to study are these relationships – meanings – instead of a subject-object dichotomy. Another important issue relates to the phenomenological approach's assumption about the intentionality. Here, Rauhala (1983, 1992, 1998) argues that human beings are not only consciously and actively creating their experiences but rather that human beings should be understood holistically as bodily and conscious as well as situational beings, where a bodily being refers to the organic existence,; conscious to the psychological-conscious existence, and situational to existence in relation to social reality. Importantly, situation refers not only to the physical context and surroundings but to all aspects of a person's life world. Consequently, even though others may have similar components in their life worlds, the situation is always personal, and the aspects of one's body and situation cannot be separated from the study of experiences.

Further, drawing attention to the relations in the study of experiences, Rauhala (1983, 1992, 1998) refers to a situation as an existence in relation to reality. The situation of a human being consists of concrete conditions – place, culture, language, history, community, society and human relations – all of which an individual is in relation to (Backman, 2016, 74; Rauhala, 1983, 1992). Thus, the profound aspects in the study of experiences is in the relationality and processes of sensemaking. People are in relation to and create meaningful relationships with all factors present in their personal life world. It is in these individual sensemaking processes where experiences become meaningful. The sensemaking process is a continuous, dialogical and reflexive transformation; it changes the person's meaning relationship with the individual life context, thus shaping the actions and/or the meanings given to actions (Rauhala, 1992).

When these individual sensemaking processes manifest in relation to the life world, conflicts arise. Making sense about conflicts experienced in everyday organizational life is a back-and-forth dialectic where exploring one point of view calls out an alternative, possibly conflicting point of view that can potentially modify

the former. This dialectic demonstrates the movement of thinking that generates more than one perspective about the situation at hand (Mowles, 2015).

## 3.2 Data Collection and Analysis

Hermeneutic phenomenology as a phenomenological approach on research is not only foregrounding the lived experiences but also the hermeneutics of interpretation (Creswell, 2007). As van Manen (1990) suggests, the interplay between research activities in an interpretive process is of importance. The methods for data collection and analysis in the empirical articles (Table 3) rely on the hermeneutic phenomenological approach. The phases of phenomenological study, according to Creswell (2007), entail, first, identifying a phenomenon; second, collecting data from people who have experienced the phenomenon; and third, developing a description of the essence of the experience – that is, gaining understanding on the studied phenomenon through the meanings of lived experiences. The approach is suitable for addressing the research problems in sub-studies III and IV because, as noted, it is important to understand individuals' experiences of the phenomenon in order to develop practices or policies and to gain in-depth understanding on the studied phenomenon.

Second, whether it is possible to find individuals who have experienced the phenomenon should be evaluated to ensure the possibility for data collection. Here, purposive sampling (Charmaz, 2006; Jupp, 2006) has been utilized to select informants who have experienced the phenomenon under study, and the interviewees are thus expected to provide sufficient knowledge about the research questions of sub-studies III (Rossi et al., 2016) and IV (Rossi & Tuurnas, 2021).

**Table 3.** Methodological features of the empirical articles

	<b>Article 3</b>	<b>Article 4</b>
<b>Case selection</b>	Service Point project, Jyväskylä	Youth service Vamos, Turku
<b>Data collection</b>	In-depth interviews <ul style="list-style-type: none"> <li>• Key actors n = 7</li> </ul> Documents <ul style="list-style-type: none"> <li>• Monipalvelupiste report</li> <li>• Jyväskylä city's strategy</li> </ul> Observations <ul style="list-style-type: none"> <li>• Four actors' meetings</li> </ul>	In-depth interviews <ul style="list-style-type: none"> <li>• Key actors n = 13</li> </ul>
<b>Data analysis</b>	Qualitative, theory-guided content analysis	Qualitative, theory-guided content analysis

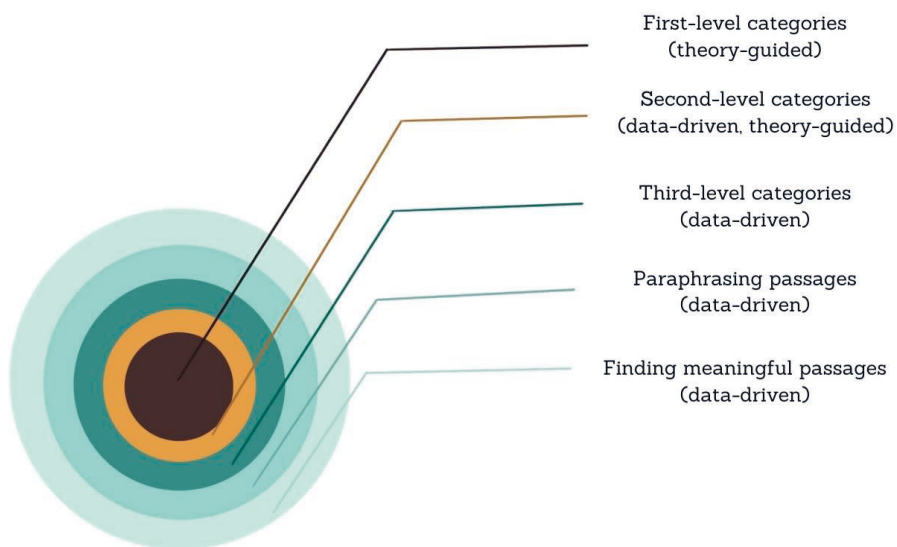
By and large, the data collection was done through in-depth interviews, whereas the data of sub-study III (Rossi et al., 2016) also entailed written documents and observations. In-depth interviews, where the informants make sense of their experiences, are particularly useful because the interviews give the researcher an opportunity to explore beyond events as such to reach the hidden aspects, emotions and thoughts underlying the felt meanings and lived experiences that ordinary discourse sometimes fails to engage with (Allen, 2017; Charmaz, 2006).

In hermeneutic phenomenologically oriented research, the role of the researcher foregrounds the need to stay open to the experiences of informants. Therefore, the in-depth interviews were used as a data collection method, and within the interviews, the interviewing method relied on asking open-ended questions about what the participants have experienced in terms of the phenomenon and what contexts or situations have typically influenced or affected their experiences of the phenomenon (Creswell, 2007). In-depth interviews provide an opportunity to study 'the temporal and polyphonic nature of making life sensible' (Cunliffe & Coupland, 2011, 70) due to the interviews' focus on narrated experiences. Consequently, in-depth interviews can also be viewed as narrative interviews. Similarly, as in open, in-depth interviews, the aim is to give voice, time and possibilities to informants to express and reflect on their lived experiences, thus connecting past, present and future in these narratives at the point of telling (Hyvärinen, 2016). In practice, interviewees are asked open-ended questions to reflect on and make sense of the experiences they have had and the expectations they hold to provide examples of situations where experiences

took place and how they acted, felt and thought about what happened in relation to their expectations (Charmaz, 2006; Hyvärinen, 2016).

Instead of aiming for objectivity and generalizability, qualitative data analysis concentrates on revealing the multiple voices and hidden meanings underlying the felt and lived experiences (Boje et al., 2016; Kolb & Putnam, 1992; Rossi, 2019). In this dissertation, the analytical strategy was aimed at systematically describing the meaning of the qualitative data by utilizing qualitative theory-guided content analysis (Gläser & Laudel, 2013; Krippendorf, 2013) through an interpretivist approach (Boje et al., 2016).

In practice, the interpretivist approach of data analysis is always an iterative process, where the researcher is constantly alternating between data, analysis and theorizing in imaginative ways (Cunliffe & Coupland, 2011; Eisenhardt, 1989; Strauss & Corbin, 1998). When analysing the transcribed interview data, a five-step scheme was formed (Figure 2). Next, following the guidelines of phenomenological analysis introduced by Creswell (2007), a hermeneutic phenomenological scheme for data analysis and actions taken within its steps is described.



**Figure 2.** A five-step hermeneutic phenomenological process for data analysis

After a close reading of the transcribed data, the first data-driven step in the analytical process entails finding relevant, meaningful passages from the transcribed data to capture the meaning of the told experiences. The first step aims for an understanding of how the participants experienced the studied phenomenon. Then, these meaningful passages are paraphrased in the second step. The third step

involves forming third-level categories by summarizing similar paraphrases into third-level categories, or, in other words, clustering the meanings of the significant paraphrases. This third step continues as data-driven with an aim to maintain the informants' original experiences without interpretation. After the formation of the third-level categories, the analysis advances to the fourth step – the generation of second-level categories. In this step, theoretically informed concepts are utilized to interpret and understand the lived experience (Agar, 2010).

The fifth and final step deals with structuring the first-level categories. At this point, the theories suitable for explaining the phenomena play an important role, and the process progresses from a data-driven to a theory-driven analysis. However, in theory-guided analysis, in contrast to theory-driven analysis, instead of testing a theory, the fifth and the final step focuses on exploring what may be helpful to further develop the theoretical and analytical framework (Cunliffe & Coupland, 2011).

The final step in the process focuses on the writing of the analysis. Creswell (2007) refers to textual descriptions and structural descriptions of the experiences and situation based on the significant paraphrases and clustered meanings. Writing the analysis – the results of the study – focuses on presenting the essence of a phenomenon by foregrounding the common ground for lived experiences. Finally, as a result of the analysis, the reader should 'understand better what it is like for someone to experience that' (Polkinghorne, 1989, 46), introducing a better understanding of the studied phenomenon.

### 3.3 Interpretive, Phenomenon-driven Research Approach

Deriving from the philosophical assumptions underlying hermeneutic phenomenology and an interpretive research approach's view, it is recognized that our being and doing in world are closely tied together. Therefore, reality is not objective nor fragmentable but instead 'perceived by individuals as they make sense of the world, so reality is a holistic structure that is continuously changing and more than the sum of its parts' (Darby & Fugate, 2019, 397).

Consequently, research focusing on the policies and practices of public service development (the epistemological dimension as doing) as such does not reach the complexity of the world, and the events and actions of people are inevitably influenced by the people involved (O'Mahoney & Vincent, 2014; Greenwood et al.,

2010; Vargo et al., 2015). This argument refers to the interpretive, phenomenon-driven research approach and theory-building instead of the testing of theories or hypotheses. The phenomenon-driven research approach assumes that social reality is shaped by human experiences and social contexts, and, as a conclusion, the phenomenon needs to be studied within its socio-historic context, in which the embedded actors make sense of and interpretations on what they have experienced.

The research approach ties the sub-studies together although the research designs of the articles differ from each other (see Table 4). Thus, this doctoral research utilizes the interpretive, phenomenon-driven research approach and aims at gaining understanding and expanding the boundaries of current theoretical discussion over empirical evidence.

**Table 4.** The two approaches of research design

<b>Approach</b>	<b>Conceptual (articles I and II)</b>	<b>Qualitative case study (articles III and IV)</b>
<b>Aim</b>	To gain understanding on conflicts as felt meanings and lived experiences to better understand the mechanisms, drivers and pitfalls of conflicts in fostering development at the micro-, macro- and meso-levels	To gain understanding on what kind of conflicts affect (and how) the development of public services and service systems, and what these identified conflicts inform about the studied phenomenon
	Literature reviews on conflicts, knowledge creation and experiences:	Case studies of social and healthcare service development initiatives:
	<ol style="list-style-type: none"> <li>1. Review of knowledge creation literature</li> <li>2. Review of literature on conflicts, development, experiences</li> </ol>	<ol style="list-style-type: none"> <li>1. Service Point project, Jyväskylä, Finland</li> <li>2. Youth service Vamos Turku, Finland</li> </ol>
<b>Relies on</b>	Theoretical and conceptual literature review to gain understanding on the felt meanings and lived experiences of conflicts and conflicts of institutional arrangements as necessities for knowledge creation through institutionalization	Empirical qualitative data of experienced conflicts to gain understanding on how the felt meanings and experienced conflicts of institutional arrangements affect the macro- and meso-levels: the public service development and the transformation of public service systems

However, this choice does not suggest that empirical world events, experiences and cases do not matter – on the contrary; instead of data-driven research, the research approach of this dissertation is phenomenon-driven. To summarize the interconnections of the sub-studies and the thesis at hand, the dissertation aims to

provide a theoretical synthesis of a complex phenomenon which ‘pave[s] the road for empirical work’ (Caracciolo, 2014, 12).

### 3.4 Narrative Approach to Complexity as a Tool for Thinking

In making sense and gaining understanding on the experiences of conflicts in public service development and their impact on public services’ systemic change, the thesis, methodologically, derives from a narrative approach on complexity (Tsoukas & Hatch, 2001; see e.g. Colville et al., 2016). In a narrative approach, complexity is seen as a metaphor that ‘posit[s] new connections, draw[s] our attention to new phenomena and help[s] us see what we could not see before’ (Tsoukas & Hatch, 2001, 981). Narratives are a profound way for us humans to ‘organize and make sense of our experiences and evaluate our actions and intentions’ (Cunliffe & Coupland, 2011, 66) as well as the dynamics and complexities in and around organizations and ourselves. In everyday organizational life, narratives provide otherwise complex and seemingly random experiences a sense of causality and order (Colville et al., 2011; Frandsen et al., 2016).

The conceptual articles (sub-studies I and II) focus on reimagining the concept of conflict and, in doing so, utilize a narrative approach on complexity, which, as a methodological tool for thinking, posits new directions, draws new connections and creates new understandings for public service research. Especially in sub-study II, metaphor as a methodological choice is utilized for reimagining the concept of organizational conflict.

The usefulness of narrative studies, and particularly the narrative approach to research on the complexity and dynamics of organizational life, lies in narratives’ potential for capturing experiences (as the present past) and expectations (as the future made present) – the ‘felt quality of lived experiences’ (Herman, 2009, 138). In addition, conflicts as disruptive experiences provide something worth telling and, thus, act as the motor of narratives (Herman, 2009). Narratives are ‘accounts of what happened to particular people—and of what it was like for them to experience what happened – in particular circumstances and with specific consequences’ (Herman, 2009, 2) in relation to others and the world (Boje et al., 2016).

Experiences, especially the disruptive ones, are always in need of interpretation and something that we want to explain (Hyvärinen, 2016). Narrative, as a sensemaking process where meanings for experiences are created, provides a way of understanding our engagement with the world and each other (Walsh, 2018) as well

as the relations and dynamics in and around organizations. Likewise, the foundation of the research design of this dissertation's empirical articles relies on the interpretation and sensemaking of experiences and the ability of the case study to identify *the being* as the logics and mechanisms of institutional arrangements (the ontological dimension) behind *the doing* as the observed action (the epistemological dimension) about the wicked phenomenon of developing public social and healthcare services.

Therefore, in the empirical articles, case study as a research design is relevant – when referring to social phenomena, occurring in specific times and places, it is essential to notice the importance of the context in which the phenomena are studied. Social world events, such as the development initiatives of social and healthcare services studied here, occur in open systems and are influenced by the multiple, often contradictory institutional arrangements of the actors involved. This complexity, combined with the emergent nature of open systems, makes it impossible to detach the studied phenomenon from the context in which it occurs (Bhaskar, 2014; O'Mahoney & Vincent, 2014).

### 3.5 Reflections on the Research Strategy

Quite naturally, the chosen research methods also entail limitations. First, in conducting qualitative research, especially when the methods for analysis are aimed at understanding experiences, the discussion about the role of a researcher is of importance. Inevitably, the methodological and epistemological choices made concerning, for example, data collection and analysis are influenced by the researcher's previous knowledge, skills and research interests and thus are somewhat researcher-specific (Brown et al., 2008; Perttula, 2009).

In addition, whilst informants are telling their experiences, they simultaneously create meanings of what they have experienced in relation to others at the point of telling. Thus, at the point of telling, the interviewer in relation to the informant, influences how the informant understands themselves and the world around them, that is, how they construct their experiences and meanings in regard to what has been experienced (Christensen, 2005; Perttula, 2009; Stacey & Griffin, 2005). In an interpretive, phenomenon-driven research approach of studying experiences, the researcher is inevitably part of the studied social world. It is also noteworthy that



other methods for collecting and analysing data could have been used, as for example, multiple narrative and action research methods.

With regard to the research design of the empirical studies, a case study approach also entails limitations. Case studies are always contextualized in settings that may have a significant effect on the results. In addition, the amount of empirical data is not sufficient for conducting data-driven research. This is discussed previously in a more detailed manner; however, the purpose of this dissertation is not to offer generalizations, mechanisms or determinants based on empirical data about the cases studied but rather to gain an in-depth understanding on the studied phenomenon and learn from it, contributing to the development of theory through this process (Flyvbjerg, 2006). This developed theoretical synthesis of a wicked phenomenon should eventually contribute to empirical research (Caracciolo, 2014).

# 4 CONFLICTS IN THE DEVELOPMENT OF PUBLIC SERVICES

## 4.1 The Understudied Subject of Conflicts in Public Service Research

Evidently, collaboration and cooperation have gained attention in the literature on wicked problems and the scholarly development of (public) service management. However, these streams of literature pay only little or no attention to the study and concept of conflicts. The role of institutionalization in the service ecosystem perspective is the most prominent starting point for the study of conflicts in public service research. Yet, even with the recognized need to foreground the service ecosystems' perspective in value co-creation (Petrescu, 2019) and address the multiple, conflicting institutional arrangements of diverse actors and institutionalization as prerequisites for systemic change (Rossi & Tuurnas, 2021; Trischler & Charles, 2019; Vargo & Lusch, 2016), conflicts have remained an understudied subject. Only recently have conflicts of different institutional arrangements been foregrounded as drivers of service systems' development in studies by Skålen et al. (2015) and Rossi and Tuurnas (2021).

Related to the discussion on public values, there is an acknowledged need for particularly public service providers to balance between different values of, for example, legality, efficiency and effectiveness causing value conflicts (Jaspers & Steen, 2018, Haynes, 2018; Molina, 2015). Indeed, in public policy and management research, a stream of literature concentrates on value conflicts and different mechanisms related to coping with and managing them (see e.g. de Graaf et al., 2014; Haynes, 2018; Jaspers & Steen, 2018; Stewart, 2006, 2007; Thacher & Rein, 2004; van der Wal et al., 2013).

An emerging line of public service management research refers to conflicts as an important subject to consider. Yet, none of these studies focuses solely on studying and understanding the concept and characteristics of conflicts. Therefore, it remains to be understood how experienced conflicts are made sense of to further understand how actors deal with these conflicts in multi-organizational collaboration (Bryson et al., 2017; Jaspers & Steen, 2018; Rossi & Tuurnas, 2021). This dissertation addresses

this research gap by focusing on the concept of conflicts in public service development and change.

## 4.2 Reimagining the Concept of Conflicts

In advancing the theory and research on conflicts, this dissertation continues the long-standing and ongoing discussion in the numerous venues of organizational research in which various typologies of organizational conflicts have been proposed. Recently, Gibeau et al. (2019), for example, focused on the ideas and theorization about the tensions of multiple, coexisting institutional logics.

In the scholarly literature, conflicts are often divided into four main levels of intergroup, intragroup, interpersonal and intrapersonal (Lewicki et al., 2011). In addition, scholars have classified conflicts into tasks or relationships (De Dreu & Weingart, 2003; Jehn, 1997; Pinkley & Northcraft, 1994; Reid et al., 2004; Sessa, 1996; Van De Vliert et al., 1999; Wall & Nolan, 1986); cognitive or affective (Amason et al., 1995); content, relational or situational (Katz Jameson, 1999); or affective, cognitive or process-related (Speakman & Ryals, 2010). Continuing the list of typologies, conflicts have also been classified as emotional or goal conflicts (see e.g. Bradford et al., 2004; Tellefsen & Eyuboglu, 2002).

These different typologies of conflicts have been explored, for example, in the literature on team performance and knowledge sharing (see e.g. Chen, 2011; Chen et al., 2011; Hinds & Bailey, 2003; Kakar, 2018). Yet, the findings of these studies are inconsistent, and the interconnectedness of the typologies is recognized, suggesting that, rather, conflicts should be explored as dynamic processes (Hinds & Bailey, 2003; Kakar, 2018). These typologies are problematic as they seem to suggest a mechanistic, intra-organizational approach to understanding and studying the complexities of everyday organizational life, assuming linear causality and possibilities for command and control (Rossi, 2020). The predominant research paradigm still seems to guide the way in which organizational conflicts are classified, studied and understood.

Consequently, the lack of systemic understanding is evident in previous research on conflicts in organizational studies even though the role of conflicts in knowledge creation in organizational settings is recognized. Most of these studies approach the concept of conflict from a rather mechanistic perspective and with an intra-organizational focus and therefore can be interlinked with the public management's

NPM paradigm. Turning to the wicked phenomenon of public service development, and a recognized need to focus on service ecosystems' multi-actor, multi-level and multi-logic spheres, there is a need to widen the scope of the concept of conflict.

Particularly sub-study II addresses this reimagining of the concept of conflict from the perspective of systems-thinking and utilizing the metaphor of music as a sensemaking device (Rossi, 2020). This reimagining, in turn, shifts the focus of the concept of conflict from inter- and intra-organizational approaches towards what it means to be a human in organizational life. The reimagined concept of conflicts provides a richer understanding of the micro-level experiences and organizational complexity (Putnam et al., 2014). Conflicts, arising from ongoing interaction and power differences, are integral to the dynamics of organizational life and organizational development (Putnam et al., 2014; Rossi & Tuurnas, 2021; Vince, 2014). Therefore, instead of concentrating solely on cooperation, public service research should also recognize conflicts.

As the main result of the sub-studies, conflicts, inherent to organizational dynamics, are conceptualized as *relational, felt meaning and lived experiences of differences in institutional arrangements* (i.e. values, beliefs, attitudes, aims and practices). Furthermore, institutional arrangements are inevitably held by people while existing in relation to all aspects of their life contexts. This conceptualization of conflict shifts the focus from 'thingification' to the human aspects underlying the felt meanings and lived experiences – identity, emotions, power relations and narratives as evolving stories in need of sensemaking (Rossi, 2020).

### 4.3 Development of Public Services Through Institutionalization

Organizational scholars have long acknowledged that conflicts are embedded in interaction and both a potential and necessity for organizational development. However, there are tensions between the terms and typologies of the predominant research paradigm of organizational conflicts (Speakman & Ryals, 2010) and the experience-related, practical, complex nature of conflicts emerging from everyday interactions. This dissertation focuses on the latter: conflicts embedded in interaction – and co-operation – are inseparable from human interaction and, thus, organizational life (Cooley, 1918; Follett, 1918/1998, 1924; Nonaka & Toyama, 2003; Stacey, 2011).

Conflicts, as contradictory institutional arrangements of interacting individuals, are unavoidably shaping organizational life (Blomgren & Waks, 2015; Mowles, 2015; Rossi & Tuurnas, 2021; Stacey, 2011). These varying and conflicting institutional arrangements underlie the decisions, behaviour and actions of people (Skålen et al., 2015; Vargo et al., 2015) and are therefore essential for knowledge creation and organizational development (Rossi & Tuurnas, 2021; Skålen et al., 2015).

Nonaka and Toyama (2003, 2) conceptualize knowledge creation as ‘a dialogical process, in which various contradictions are synthesized through dynamic interactions among individuals, the organization, and the environment’, resulting in the notion that the process of knowledge creation lies in the synthesis of contradictions through dialectical thinking and acting (Nonaka & Toyama, 2003). Furthermore, knowledge and knowledge creation in organizations reside in the interactions and social relations of human beings (Lehtimäki, 2017; Nonaka & Takeuchi, 1995; Nonaka & Toyama, 2005; Stacey, 2011).

This process of synthesizing contradictions is referred to as *institutionalization* in the service ecosystems literature. In institutionalization, actors not only create but also disrupt and maintain institutional arrangements (Rossi & Tuurnas, 2021; Trischler & Charles, 2019; Vargo et al., 2015; Vink et al., 2019). Institutionalization involves co-creational processes in which actors cope with and resolve the contradictions and inconsistencies that are foundational to all institutional arrangements (Vargo et al., 2015). Consequently, conflicts are notable differences in human interactions and more particularly in the thought processes of the individuals experiencing them (Rossi, 2019). Knowledge creation, then, is an inherently relational, yet individual, thought process. Furthermore, conflicts emerge in the thinking processes of an individual whilst one makes sense of the conflicts by questioning one’s own thinking, experiences and the ways that one relates with others and the world (Chia, 1996; Heidegger, 1966; Rossi, 2019). Yet, the question of how actors make sense of these nested conflicts requires further exploration.

## 4.4 Narrative Sensemaking of Conflict Experiences

The approaches of public service management that highlight the need for cooperation seem to suggest that with cooperation comes a shared understanding of the values, aims, beliefs and practices underlying the decisions, actions and behaviour in service development initiatives. Yet, the approach of narrative sensemaking

suggests that instead of shared understanding, it is precisely the differences in understanding that need attention (Brown et al., 2008). Therefore, narrative sensemaking deals first and foremost with conflict experiences and explores why people develop even contradictory interpretations and understandings of the experiences they have in common.

Common to the approach for using narratives in organizational studies, narratives are understood as a means to ‘organize and make sense of our experience and evaluate our actions and intentions’ (Cunliffe & Coupland, 2011, 66). Narratives are here seen as spontaneous acts of interpretation and sensemaking, often improvised, situated, contested and responsive performances; thus, narratives are temporally and contextually sensitive responsive struggles for coherence (Cunliffe & Coupland, 2011).

Narrative sensemaking of conflicts refers, then, to a basic human strategy for coping with and understanding change, processes and time (Herman, 2009; Hyvärinen, 2016; Vaara & Tienari, 2011). Highlighting the interconnectedness of narratives and sensemaking, Colville et al. (2011) state that a lack of sense emerges when one cannot produce a narrative. Furthermore, narrative sensemaking offers a way to focus on experiences and to understand how people make sense of these lived experiences of nested conflicts in order to understand the relations and complexities people are facing in their everyday work (Brown et al., 2008).

Organizational scholars Vaara and Pedersen (2014) and Boje et al. (2016) have argued that narratives in organizations are important for making sense of the dynamics and conflicts that underlie institutional change. In addition, according to Boje et al. (2016), organizational storytelling includes multiple and diverse stakeholders, affects organizational effectiveness and highlights the sensemaking of emergent conflicts; through these conflicts, organizational storytelling contributes to our understanding of complex processes of ‘becoming’ – the organizational change.

The role and notions of embodiment and body have only rarely, according to Cunliffe and Coupland (2011), been addressed in the sensemaking literature. In contrast, the authors argue that ‘embodiment is integral to sensemaking’ (2011, 68), and that narrative sensemaking happens in the lived, responsive, contested and embodied moments when people struggle to make meaning of their conflict experiences in relation to and with others.

As a temporal and interpretative process, narrative sensemaking involves embodied interpretations and interactions with others while people try to make their lives, identity of self and others and their experiences and expectations understandable (Cunliffe & Coupland, 2011). Indeed, we humans are highly skilled

in sensing and interpreting the unspoken behaviours – gestures, facial expressions and body positions – that we do not necessarily rationalize but nevertheless sense their meanings in and through our bodies (Rossi, 2020). Narrative sensemaking offers a way to focus on these lived, embodied experiences through narratives rather than by understanding sensemaking solely as a rational, linear and intellectual process of interpretation (Cunliffe & Coupland, 2011).

These responsive struggles for coherence are a form of ‘critical self-awareness’ (Cunliffe & Coupland, 2011, 66), which through ongoing processes of interpreting, assessing and critiquing our experiences and expectations connects us to others and the world around us in a relational way. Because of this responsive and relational nature of narrative performance, narrative sensemaking is always a polyphonic ‘interplay of competing narratives, when organizational members have different and conflicting stories to tell about the same event, and as actors deal with those competing narratives in different ways’ (Cunliffe & Coupland, 2011, 67). In these responsive struggles for narrative coherence, people try to find explanations for their own and others’ actions, behaviour and decisions (Cunliffe & Coupland, 2011).

## 4.5 Relational Reflections of Identity, Emotions and Power

With an aim to develop public services and achieve change in service ecosystems, there is an ongoing need to study and make sense of the felt meanings and lived experiences of conflicts and the underlying aspects of identities, emotions and power relations, which are ‘visible in the tensions or contradictions that occur between attempts to control and attempts to change’ (Vince, 2014, 413–414). Identities, emotions and power relations both hinder and enable individuals in making decisions and taking actions; therefore, the responsive struggles over meaning in narrative sensemaking can inform us about organizational dynamics. Narrative sensemaking offers a way to explore organizational and institutional complexity, that is, how micro-level experiences and interactions connect to meso- and macro-level structures and patterns (Eppel & Rhodes, 2018; Castelnovo & Sorrentino, 2018; Haynes, 2018).

Understanding experienced conflicts and the responsive struggles for coherence integral to public service development creates a need for critical reflection. Through ongoing processes of interpreting, assessing and critiquing our experiences and

expectations, critical reflection connects us to others and the world around us in a relational way (Cunliffe & Coupland, 2011; Vince, 2014). Therefore, there is a growing need to extend public service research and consider the role that identity, emotions and power relations may have in undermining the possibilities for public professionals to work for the development of public services.

Understanding everyday organizational life and its dynamics requires facing and making sensible the relational, embodied emotions of, for example, fear and anxiety (Cunliffe & Coupland, 2011). Following Vince (2014), emotions influence people's roles and relations and need emphasizing when the aim is to understand how the ongoing relations between the self and others shape and connect more widely to organizational development and dynamics. Identity and emotions, thus, are closely linked to organizational roles – the socially negotiated sets of expectations of what tasks and decisions are expected to be performed in a certain position within an organization (Ebbers & Wijnberg, 2017). As threads to one's identity, experienced conflicts promote relational, intense and often negative emotions (Rossi, 2020).

To proceed, identities and interest are constructed through narratives in time and space (Boje et al., 2016; Vaara & Tienari, 2011), and narrative sensemaking is, by nature, an embodied process of making sense of lived and embodied experiences; this is accomplished while making sense, evaluating and creating our identities and sense of self and others as well as ways of moving forward (Cunliffe & Coupland, 2011). Narrative sensemaking is thus closely connected to one's own identity, and identity both affects the sensemaking process and is affected by the lived, embodied experiences that we try to understand (Cunliffe & Coupland, 2011; Rossi, 2020).

Then, narrative sensemaking reflects on who we are in relation to others – our and others' identities, to which we respond, contest, evoke, evade, imagine and confront (Cunliffe & Coupland, 2011). In addition, identity relates closely to organizational change, also referred to as an ongoing process of 'becoming' (Boje et al., 2016; Colville et al., 2016). In organizational change, individual and collective identities engage with lived experiences, and conflicting institutional arrangements are contested, negotiated and transformed (Boje et al., 2016; Rossi & Tuurnas, 2021).

Power relations also create contradictions in how organizational change is experienced (Vince, 2014), and narrative sensemaking of conflict experiences can be understood as 'expressions of, and exercises in, power' (Colville et al., 2011, 8, see also Brown et al., 2008). Importantly, power relations, as ranges of dynamics integral to experiences, are of importance because they inform, create and constrain organizational behaviour, structures and action (Vince, 2014).



According to Vince (2014, 410–411), power, as an embodied force that is part of our everyday selves and implicit within interpersonal relations, relates to organizational dynamics in several ways. First, we quite naturally carry power with us in our experiences, relations and conscience. Therefore, hierarchies in organizations are both real and imagined and manifest as different possibilities, skills and capacities to influence organizational life and its dynamics. Second, differences in power relations impact on our feelings, emotions and behaviour at work, and avoiding conflicts and differences among people reveals these power relations.

To continue, power also relates closely to group dynamics and feelings of security in ‘my group’ as well as leads to suspicion and blame of ‘other groups’. Power relations, then, can reinforce difficulties of communication and interaction across group boundaries (Stacey, 2011; Stacey & Griffin, 2005). Employees at higher ranks typically hold more power and status and, therefore, more influence in their organization (Bindl, 2019). Then, tensions between managerial roles – role conflicts and role ambiguity – are reinforced through our emotions, the language we use and the statuses we hold as well as in attempts to control and in patterns of blame.

To conclude, the exploration and study of experienced conflicts reveals the contradictory institutional arrangements underlying the decisions, actions and behaviour of people within the spheres of interaction. A focus on conflicts as drivers of development and change creates a need for critical reflexivity towards these differences. Thus, narrative sensemaking connects the emotions, identities and power relations inherent in conflict experiences to public service development and systemic change (Figure 3).



Figure 3. Narrative sensemaking of conflict experiences

## 5 SYNTHESIS: UNDERSTANDING PUBLIC SERVICES' SYSTEMIC CHANGE

Returning to the beginning thoughts of this dissertation, evidently our societies are increasingly 'polycentric, multi-nodal, multi-sector, multi-level, multi-actor, multi-logic, multi-media, multi-practice place[s]' (Bryson et al., 2017, 641). Furthermore, the wicked phenomena the public organizations face are even more complex, ambiguous and uncertain than ever before (Bryson et al., 2017; Crosby et al., 2017), crossing the traditional levels, boundaries and silos of public service organizations.

Wicked phenomena cannot be solved by any one organization alone, and therefore, a systems' perspective is required. Consequently, the development of and changes in public services are not attached to a single initiative but rather to the involvement of the service ecosystems. As Eriksson et al. (2020) point out, the literature on PSL and other collaborative public management streams suggest that an emphasis on broader service ecosystems and including a multiplicity of actors are essential in moving forward from the NPM reforms' intra-organizational focus (Eriksson, 2019; Osborne et al., 2015; Osborne et al., 2016; Skålen et al., 2018). Consequently, these streams of public management literature conclude with a better understanding of the whole system and aim to overcome the fragmented welfare services (Alford, 2016; Christensen & Lægreid, 2011; Osborne, 2018).

However, collaboration between multiple actors is not unproblematic (Bryson et al., 2006; Bryson et al., 2015; Bryson et al., 2017; Eriksson et al., 2020). This dissertation contributes to the public service management literature by introducing a research paradigm which recognizes conflicts in public service development. In addition, narrative sensemaking of experienced conflicts between the collaborating actors is needed, resulting in a holistic and dynamic understanding of the public service development and systemic change.

## 5.1 Conflicts and Public Services' Systemic Change

The daily work of developing public services done by public organizations' employees and management locates in complex public service ecosystems in multi-level and multi-actor settings where different institutional arrangements conflict (Rossi & Tuurnas, 2021). These conflicts permeate the daily work and experiences of individuals, provoking a need for critical reflection. Thus, the everyday organizational life is mediated by relational struggles over power relations, emotions and identities. These notions, by and large, contribute to a holistic and dynamic understanding on the public services' systemic change.

Based on the findings of this dissertation's sub-studies and the theoretical development of the conceptualization of conflicts introduced in Chapter 4, this synthesis addresses the research question of *how do conflicts increase understanding on systemic change in public services?* The reimagined concept of conflict experiences and the narrative sensemaking of these experiences reveals four underlying elements that help in understanding public services' systemic change – namely polyphony, relationality, locality and reflexivity, which are explored next (Table 5).

Through this approach, the micro-level relational felt meanings and lived experiences of conflicts are connected to macro- and meso-level structures and patterns. Importantly, the connecting is done through complexity-informed research – exploring dynamic tensions and exposing multiple perspectives, assuming emergent causality and illustrating the plurality of voices (Eppel & Rhodes, 2018; Greenhalgh & Papoutsis, 2018; Haynes, 2018; Rossi & Tuurnas, 2021).

**Table 5.** Understanding public services' systemic change

	<b>Narrative sensemaking of conflict experiences'...</b>	<b>...in everyday organizational life...</b>	<b>...impact on the systemic change</b>
<b>Polyphony</b>	Interweaving multiple, contested narratives; Always relating and responding to others; Actors dealing with competing narratives in different ways	Differently experienced conflicts of interweaving institutional arrangements of multiple stakeholders	Multi-actor service ecosystems' settings of public service development and systemic change
<b>Relationality</b>	Occurs in lived experiences of everyday interactions with others and self	Conflicts are always relational, lived experiences	Conflict experiences and sensemaking of conflict experiences is always a relational phenomenon, impacting systemic change
<b>Locality</b>	Takes place moment-to-moment within and across time and space as we struggle to make meaning with others; Legitimacy and coherence are contested moment-to-moment due to changing meanings	Temporal, contextual and evolving embodied narrative sensemaking of experienced conflicts	The importance of context; experiences are always context-dependent and thus sensemaking and systemic change are located within specific contexts
<b>Reflexivity</b>	Sensemaking as an ongoing, embedded process of interpretation of the identities and power relations between self and others and experiences in which we cannot separate ourselves, our senses, our body and our emotions	Critical reflection on embodied felt meanings, emotions, power relations and identities underlying conflict experiences	Fostering systemic change requires reflexivity towards conflict experiences of institutional arrangements in order to foster the change of actions, behaviour and decisions

The synthesis of the results presented next suggests that experienced conflicts draw attention to the underlying elements of systemic change – polyphony (foregrounding the multi-actor service ecosystems), locality (foregrounding the context and time), relationality (foregrounding the relational nature of institutionalization) and reflexivity (foregrounding the sensemaking of conflict experiences). Narrative sensemaking connects micro-level conflict experiences and meso-level service systems’ change and, in doing so, shifts the focus from intra- and inter-organizational approaches of understanding public service development and change towards a systemic approach (Figure 4).



**Figure 4.** The elements of systemic change

**Polyphony.** Polyphony refers to the competing multiple institutional arrangements people bring to the spheres of interaction whilst aiming to develop public services. Thus, the element of polyphony draws attention to the multi-actor, multi-logic and multi-level spheres of interaction and sees service development taking place in public service ecosystems through institutionalization. Consequently, in widening the scope of public service development, actors are located not only in intra- or even inter-organizational settings but rather within service ecosystems. Thus, polyphony as an element of systemic change refers to multi-actor settings, where people are always relating and responding to others and making sense of the interweaving multiple contested narratives from their subjective perspectives.

Practical considerations related to public service development include, for example, exploring, which organizations, groups of people and key actors are involved in the particular service development initiative beyond the inter- and intra-organizational focus. Then, which institutional arrangements these actors hold should be recognized, revealing the multiple voices of actors.

**Relationality.** Narrative sensemaking of conflict experiences is always a relational phenomenon. The findings suggest that, in the context of public service development initiatives, the sensemaking of conflict experiences is closely connected to emotions and struggles over position and power as well as one's own and others' identities. Relationality, then, foregrounds the relationally constructed and evolving emotions, identities and power and fosters the understanding of public services' systemic change occurring in spheres of interaction with others and self.

Practical considerations of relationality related to public service development include, first, recognizing the actors and their institutional arrangements and, second, focusing on the relations rather than the actors, institutional arrangements or structures as such. Through the narrative sensemaking of conflict experiences, people try to narrate an understanding of their professional identities, felt emotions and power relations, which all can either hinder or foster the possibilities for one to express and act upon one's own institutional arrangements, thus either hindering or fostering the public service development.

**Locality.** Temporal, contextual and evolving embodied narrative sensemaking of experienced conflicts takes place moment-to-moment within and across time and space as we struggle to make meaning with others. The legitimacy and coherence of our sensemaking are contested moment-to-moment due to changing meanings. In the narrative sensemaking of conflict experiences, the past, present and future are connected, and thus the element of locality and the importance of context and time in systemic change is foregrounded. These sensemaking processes inform about and

are connected to a wider context and the historical setting of the organization and its overarching power structures, thus foregrounding the situatedness of the experiencers.

Practical considerations of locality related to public service development include, importantly, the notion that the phenomenon under study cannot be detached from its context. Therefore, when developing public services, the context in which the multiple actors and conflict experiences are located is always unique and, consequently, so are the solutions, decisions and actions taken. It becomes essential, then, to understand and explore the path-dependencies within the particular context and explore how these previous choices, decisions and institutional arrangements affect the development initiative and systemic change.

**Reflexivity.** The narrative sensemaking of conflicts is an ongoing, embedded process of the interpretation of the identities and power relations between the self and others and experiences in which we cannot separate ourselves, our senses, our bodies and our emotions. Therefore, to understand public services' systemic change, a need arises for critical reflexivity towards the conflict experiences and the underlying differences of institutional arrangements in order to foster the actions, behaviour and decisions concerning the public service development. Critical reflexivity, then, refers to the ability to make sense of the institutional arrangements underlying the actions, behaviours and decisions within the service ecosystems as well as understanding and making sense of the identities, power relations and emotions underlying the conflict experiences.

Practical considerations of reflexivity related to public service development include, for example, exploring who holds the power to decide and how the decisions, actions and behaviour of multiple actors are maintaining, disturbing and fostering the change of the underlying institutional arrangements. In short, critical reflexivity is needed in order to stop and think about what is going on, to understand one's self and others and to explore the potentiality of conflicting sensemaking to allow novelty to emerge.

## 5.2 Theoretical, Empirical and Methodological Contributions

With the interpretive, phenomenon-driven research approach of this dissertation, the main contribution lies in theory-building. Particularly, the new directions, connections and understandings this research approach posits, concentrate on the



concept of experienced conflicts (the micro-) located in the context of service development initiatives (macro-) and contribute to understanding the systemic change in public service ecosystems (meso-level). The most prominent theoretical contribution lies within the public service research, suggesting a research paradigm which, first, recognizes the role of conflicts in service development and, second, fosters our understanding of public service systemic change as dynamic processes of becoming.

This research, first, elaborates on the empirical, methodological and theoretical foundations and relationships of the sub-studies (I–IV). Second, it introduces a theoretical framework about the concept of conflicts and a synthesis of the implications this framework has on understanding public services' systemic change. Empirically, the dissertation focuses on, yet is not limited to, the development of social and healthcare services in the Finnish context. Thus, this dissertation is devoted to advancing our understanding of organizational theory and, more particularly, public service research, where one critical challenge has been the need to move from studying the policies and practices inherent in inter- and intra-organizational approaches to studying experiences and conflicts as a systemic approach.

Aiming for a cohesive understanding of public services' systemic change, this doctoral research has focused on the narrative sensemaking of experienced conflicts – the non-linear, unfinished, subjective and conflicting understanding of the institutional arrangements underlying the actions, decisions and behaviour of people dealing with the wicked phenomenon of public service development. Conflicts, then, are understood as the *felt meanings and lived experiences of differences in institutional arrangements* (such as the different values, assumptions, beliefs, aims and practices) people bring to multiple spheres of interaction. Importantly, the narrative sensemaking of experienced conflicts reveals issues of identity, emotions and power relations aroused by subjective experiences.

Further, through the reimagined concept of conflict, the synthesis focuses on an understanding of the elements of systemic change in public service ecosystems. The synthesis suggests that in understanding public services' systemic change, the reimagined understanding of conflicts in the development of public services draws attention to the underlying elements of systemic change: polyphony, locality, relationality and reflexivity. To continue, it is suggested here that in order to understand public services systemic change, first, foregrounding the multi-actor, multi-level and multi-logic service ecosystems; second, the context and historical settings of the development and experiences; third, the relational nature of conflict

experiences and institutionalization; and finally, the need for critical reflexivity – form the basis of a systemic change.

Importantly, the research reveals through institutionalization the crucial role of conflicts in the development of public services. This evolving approach contributes to organizational theories by foregrounding human aspects as the need to make sense of the relational, felt meanings and lived experiences of organizational conflicts and the narrative sensemaking of relational identities, emotions and power. Through this, understanding the ongoing and dynamic public services' systemic change as a constant state of becoming (Boje et al., 2016; Colville et al., 2011), as well as its problems and failures, becomes possible.

The limitations of this doctoral research are discussed at the end of the methods chapter in detail. However, one critical challenge that still requires attention is that the strong theoretical and interpretive, phenomenon-driven research approach diminishes the role of the data presented in the empirical articles. Therefore, it has been an intentional choice to concentrate on the theory-building to overcome this challenge. Second, it should be acknowledged here that there are multiple streams of complexity theories. Within the various sets of ideas related to complexity sciences, this research mainly relies on the theorizations of complex responsive processes of relating (see e.g. Stacey, 2011) and institutional complexity (see e.g. Greenwood et al., 2011). However, due to the practical choices made in writing this doctoral research, the focus is not revealing the underlying assumptions of these theorizations of complexity but rather it is one critical challenge for future research to tackle with.

It is my hope that the choices made and the theories built in this doctoral research pave way for more empirical research to come. Revealing the conflicts in public service development leads to the questions of power, politics, and ethics (Mowles, 2015). One important question, then, is how this viewpoint could help us develop sustainable public service ecosystems. Future research could address these issues, for example, by exploring how value-based service ecosystems could be fostered, and what are the crucial questions of power, politics and ethics in different levels of administration that needs to be foregrounded in order to co-create value as increased well-being of citizens. Another important question that remains to be answered is, what the recognition of conflicts would mean for the public service management paradigm and the ways of organizing and governing service ecosystems. That is, how the role of conflicts and elements of systemic change could be integrated into the research and practice of governing public service ecosystems.

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# PUBLICATION

I

## **Conflicts in Leading and Managing Change: Towards a Reflexive Practice**

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## CHAPTER 9

# Conflicts in Leading and Managing Change: Towards a Reflexive Practice

PAULA ROSSI

## Takeaways for Leading Change

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This chapter contributes to the understanding of what is required of today's leaders and managers who find themselves involved in complex change processes within organisations – where cooperation and conflicts are both present at the same time. Combining insights from complexity sciences, psychology and organisational studies, it suggests leadership should be viewed as a situated, social, relational and dialogic practice in which people and their experiences are foregrounded. Leading change becomes a reflexive practice in which the tensions and conflicts different people bring to their interactions with others are explored and appreciated. Conflicts are seen as simultaneously arousing uncertainty and intense emotional responses while fostering the movement of thinking through reflexivity. Being reflexive, then, means more than linearly addressing and resolving problems. It makes use of and reveals the tensions, conflicts and multiple perspectives of people engaged in organisational life. Through movement of thinking, the chapter offers alternate ways for understanding and acting and contributes to individual development.

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Traditional forms of management and leadership, designed to work in stable and predictable conditions, are no longer functioning in the organisations of the twenty-first century. The complex challenges faced by today's societies and organisations place increasing demands on management and leadership. In this chapter, I address the issues of how those in organisations could better cope with boundary-spanning, dynamic and open challenges, and what kind of expertise and practices they would need.

Today's leaders must take complexity and uncertainty, arising from different people engaging in everyday interactions in organisational life, more seriously into consideration. Instead of coming up with new, abstract slogans about leadership and change, leadership should focus on micro-processes and complexities within organisations arising from the differences between people. Differences such as conflicts of values, beliefs, attitudes and practices in organisational settings are an inescapable part of social relations. It is important to explore how to better cope with, and even make use of, these differences in organisations.

The chapter argues that being reflexive towards conflicts in organisational life can promote the development of individuals; and through individual development, promote organisational change. It views change as embedded in everyday practices and interaction in organisations. In exploration of the question of how people could better cope with, and even make use of, the conflicts in organisations, a multidisciplinary approach is

proposed. The approach highlights the capacity and necessity to think across traditional boundaries. Theoretically, the approach draws strands of organisational studies; psychology, more specifically existential phenomenology (see for example Rauhala, 1983; 1992; 1998); and complexity sciences, more particularly the theorisation of complex responsive processes of relating (see for example Mowles, 2011; Stacey, 2011; 2012). The combination of these theoretical strands emphasises the importance of

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The chapter argues that being reflexive towards conflicts in organisational life can promote the development of individuals; and through individual development, promote organisational change.



concentrating on the micro-processes of organisation and examining the role of individual experiences and social interaction not only in everyday organisational life but also as the foundation for leading change. A framework of *reflexive practice* is introduced.

The chapter begins with a conceptual and theoretical exploration of conflicts in leading and managing change. When applicable, the text uses examples from the author's own research concerning public service development initiatives (Rossi, Rannisto, & Stenvall, 2016; Rossi, 2016a; 2016b). These initiatives take place in complex contexts and seek to address wicked problems (Weber & Khademian, 2008) which are boundary spanning, dynamic and open challenges, where stakeholders seek to improve services from different, often conflicting perspectives.

The chapter proceeds as follows. First, it explores conflicts as arising from human interaction because of the diversity of people. Second, it challenges the idea that organisational change occurs through cooperation and putting differences aside. Instead, it explores the inevitability of cooperation and conflicts. Third, it argues the experiences of individuals concerning conflict and change should be addressed in a framework of reflexive practice. The framework offers a way of thinking about the need to explore, understand, and reframe the understanding about conflict experiences, thus giving rise to individual development. Fourth, a sensemaking process about experienced conflicts through storytelling, where people are revealing and exploring their differences, is proposed. The chapter concludes with a discussion of the implications of the reflexive practice framework for organisational conflicts on leading and managing change.

## Conflicts: The Good, Bad and the Inevitable

*Conflict* is here conceptualised as the contradictory ways of forming understanding in social interaction unfolding in complex organisational settings. Drawing from the psychological perspective, conflicts are seen as an individual or a group's subjective experience and understanding of a given situation, wherein the values, beliefs, attitudes and practices are noticeably different from those of others. The complexity perspective

highlights the importance of interacting with people who form different meanings and have different experiences. From this standpoint, conflicts are considered an essential part of human interaction and social life.

Conflicts arise from human interaction. Along with complexity, they are a consequence of the fundamental diversity of human life: People have different, even contradictory, values, beliefs, attitudes and practices (Mowles, 2015; Stacey, 2011). Yet conflicts are considered problems needing to be reduced, eliminated, or controlled with tools of management. Conflicts at workplaces are to be managed or even avoided (Pehrman, 2011). Putnam (1997, p. 147) has taken this everyday organisational viewpoint further by stating that “organisational conflict is often treated as a dreaded disease or . . . deviant activity.” However, Deborah Kolb and Linda Putnam (1992) suggest that instead of being dramatic confrontations or formally negotiated public events, most conflicts are embedded in the interaction of actors doing their everyday work. They occur informally and frequently out of sight. This also applies to the management of conflicts (Kolb & Putnam, 1992).

Conflicts are embedded in organisational life and are processes in which individuals and organisations have the potentiality to develop (Stacey 2011; Wall and Callister, 1995.) This stands in contrast to the idea of a conflict as something destructive. Instead controlling embedded conflicts and tensions in complex, chaotic, everyday interactions, Stacey (1992) suggests that leading change is a way of thinking that makes use of conflicts. Conflicts are, as Pondy (1989, p. 96) argues “not only functional for the organization, [they are] essential to its very existence.” However, simply noticing the conflict is not enough. In order for something novel to emerge, there needs to be an ongoing negotiation about these differences (Mowles, 2015). When revealed and reflected upon, conflicts between multiple perspectives offer alternative ways of understanding and acting, and thus drive change.

The potential for conflicts to be productive and generate positive outcomes is not a new idea (see, for example, Coser, 1956; Deutsch, 1969; Pondy, 1967). Hargrave and Van de Ven (2017) also discuss conflict as productive phenomena by suggesting that taking into consideration the emotional energy conflicts release can awaken the experiencer from his

or her cognitive and behavioural apathy. The emotional energy translates into transformation. In everyday organisational life, conflicts often arouse intense emotional responses of uncertainty, anxiety, frustration, irresolution or even anger and fear. The intensity of emotional responses to conflicts is why it is so common to try to suppress differences and avoid conflicts. Can one address these emotions as awakenings, as Hargrave and Van de Ven (2017) suggest?

## Conflicts and Cooperation

Cooperation is often seen as a key to untangling the complex challenges of today's world, in which multiple actors and stakeholders are required to work together (Durose, Mangan, Needham, Rees, & Hilton, 2013; Parrado, Van Ryzin, Bocaird, & Löffler, 2013). This is especially important when thinking about solutions to complex issues such as poverty or environmental problems. Towards this end, the chapter examines development initiatives in the public services. These aim to meet the needs of citizens in effective and efficient ways.

Development initiatives provide illustrations of cross-sectoral, complex and dynamic processes, environments and problems with multiple (groups of) actors and administrative levels. Administrative arrangements in local and regional levels of government are going through major changes. In Finland, policymakers have identified a growing need to find the most effective and efficient procedures and practices in the health and social services sectors. The responsibilities for organising these services are being relocated from municipalities to counties in January 2019. Service producers from the public and private sectors, non-profit organisations, front-line workers, public administrators, politicians, customers and citizens are all involved in this process and come from various, often-conflicting perspectives. Presumably, they all share a common goal: to have services that meet the needs of citizens in an effective and efficient way. However, the practices, assumptions, values, and beliefs of these different stakeholder groups vary. For this reason, there is a wide range of perspectives on how this change should be implemented.

The mainstream view in organisational studies suggests that change in organisations occurs when people working together put their differences aside (Mowles, 2011). Public service actors face constant demands to work together in order to cope with wicked problems (Weber & Khademian, 2008) and reform pressures (Durose et al., 2013; Parrado et al., 2013). However, the presence of both cooperation and conflict in organisational life is inevitable. Complex challenges can be overcome through an understanding of boundary-spanning cooperation. In addition, understanding of the limits, obstacles and drivers to change in this new organisational paradigm is also essential.

The conceptual and theoretical argument developed here draws from research on the *Monipalvelupiste* (Multiple Service Point) which operated in Jyväskylä, Finland, between the years 2013 and 2016 (Rossi et al., 2016). The project is another example of a public service development initiative aimed at improving the quality and cost efficiency of services. Due to the economic struggles faced in the public sector in Jyväskylä, there was a growing need to find new ways, both within the city's own organisation and in collaboration with the nongovernmental sector, to organise social and health service delivery. This was officially pursued through cooperation between different service sectors. While the organisers of the project emphasised cooperation they nevertheless did not make use of the diversity of the actors nor did they pay attention to the conflicts in their efforts to improve public services.

In contrast to the idea that change occurs by people collaborating and setting their differences aside (Mowles, 2015), the strands from complexity science understand change differently. From this perspective, change occurs not by concentrating on cooperation and setting differences aside but by negotiating differences in interactions with others (Mowles, 2015; Stacey, 2011). Instead of focusing exclusively on cooperation in the organisational context, complexity perspective sees value in both cooperation and conflict. As Cooley (1918, p. 39) argued one hundred years ago, "...conflicts and cooperation are not separable things, but phases of one process which always involves something of both." This is especially relevant because stakeholders positioned at different points in organisational structures invariably have different interests.

## Conflicts and Change: A Reflexive Practice

This chapter makes use of a set of theoretical strands from organisational studies, psychology and complexity sciences. Through these strands, conflicts and change in complex organisational settings, are understood using the framework of *reflexive practice*. Reflexive practice refers to the need to explore, understand, and reframe understanding of conflict experiences, so that they would give rise to individual development. The framework consists of the following underlying assumptions (see Figure 1): subjective experience, relational life context, sensemaking, and storytelling. Reflexive leadership practices emphasise the experiences of individual actors and pays attention to everyday interaction in an organisational context.

- 1 **UNCERTAINTY ARISES**  
when people with conflicting values, beliefs, attitudes and practices in complex organisational settings are cooperating while trying to get things done, conflict is inevitable.
- 2 **SUBJECTIVE EXPERIENCE**  
Conflicts in organisational settings are happening in multiple levels but always experienced by an individual. This calls for emphasis on micro-level analysis – people and their subjective experiences.
- 3 **RELATIONAL LIFE CONTEXT**  
Who we are as humans, and how an individual experiences the world, is central, but it always relates to the life context of the one experiencing.
- 4 **SENSE-MAKING THROUGH STORYTELLING**  
Making sense of their experiences, people tell stories. In these sense-making processes, the transformation of meanings and action has the potentiality to emerge.

FIGURE 1. The underlying assumptions of reflexive practice

First, conflicts of differing values, beliefs, attitudes and practices of people in interaction are inevitable and thus *arouse uncertainty* whilst people are competing and cooperating in trying to get things done (Stacey, 2011). Second, conflicts occur on different levels: between the values of individuals and organisational demands, between individuals working in the same organisation (perhaps a leader and an employee), or between the practices and values of organisations required to collaborate. Two practical examples of different conflict levels emerge from research concerning Finnish public service development initiatives. First, conflict took place between the service practices of a non-profit organisation and the public service system (see Rossi, 2016a). Second, another level of conflict was between groups of actors – citizens, service producers, and public servants – with different values and beliefs (Rossi, 2016b; Rossi et al., 2016). Regardless of the level of conflict, conflict is *always experienced subjectively at the individual level*.

Third, the *relational life context* offers ingredients for the individual to experience. Who we are and what we experience are in relation to social life and the life context. Our impressions about the self and the world are constantly forming and changing as we interact with others (Rauhala, 1983; 1992; 1998; Stacey, 2011). This suggestion relies particularly on Norbert Elias's (1978, 1991, 1939/2000) argument that the individual and the social are two sides of the same coin. People form the social, and the social forms people. The individual life context also consists of concrete conditions – place, culture, language, history, community, society and human relations – to which an individual is in relation with (Backman, 2016, 74; Rauhala, 1983; 1992). The psychological perspective, then, draws the attention to one's life context, emphasising individuality, subjectivity and the experiences of individuals (Rauhala 1983; 1992; 1998). Where Mead argues: “we become a self intersubjectively” (as cited in Mowles, 2015, p. 22), Rauhala (1983; 1992; 1998) refers to this as existence in relation to reality.

Fourth, the profound aspect of one's life context is in relationality and *processes of sensemaking*. People are in relation to and create meaningful relationships with all factors present in their personal life context. It is in the individual sensemaking processes where experiences concerning life context and its aspects become meaningful. The sensemaking process

is a continuous, dialogical and reflexive transformation; it changes the person's meaning relationship with the individual life context, thus shaping the actions and/or the meanings given to actions (Rauhala, 1992). When individual sensemaking processes manifest in relations with other people, conflicts arise and transform. Making sense about conflicts experienced in everyday organisational life is a back-and-forth dialectic where exploring one point of view calls out an alternative, possibly conflicting point of view that can potentially modify the former. This dialectic demonstrates the movement of thinking that generates more than one perspective about the situation at hand (Mowles, 2015.)

To summarise, the development of new individual meanings and perspectives occurring in sensemaking processes of reflexive practice can potentially foster the development of individuals and organisations. The framework of reflexive practice suggests the need to explore the differences in individual life contexts, which we bring to our relations with each other while trying to get things done in daily organisational practices. This reflexivity of contradictions is a highly individual and subjective act of exploring and recognising the tensions in our own thinking. Yet, it is also happening in social and relational environments. It generates more than one perspective through the movement of thinking, fostering the possibility of transformation.

## Conflicts: Sensemaking in Research

The sensemaking process of exploring differences in thinking and in one's life context can occur through storytelling. Storytelling is a way to practice the reflexive practice – to stop, think and make sense upon the conflicts and complexity. As Tsoukas (2011) argues, new knowledge can emerge when unreflective practices are turned into reflective ones in reflexive social interactions. Storytelling and narratives are windows to the meanings actors ascribe to conflicts and their experiences. One's impressions about the self and the world can be seen as a contextual, constantly forming narrative. The "truth" about conflicts is constructed continuously in people's minds. This sensemaking also takes place

relationally, in relation to the experienter's situationality (Backman, 2016; Brown & Heggs 2005; Stacey, 2011). In storytelling, the constructing of reality is happening in relation to others. The research process offers a window for the construction of reality to manifest in a relationship between researcher and informant.

Researching experiences entails emphasising the meanings and interpretations actors assign to conflicts they experience and how they articulate these meanings. Conflict is not important in and of themselves. What becomes important are the changing meanings actors give to these experiences while making sense of and telling stories about them (Kolb & Putnam, 1992). Mather and Yngvesson's (1980) understanding of conflict is that it is not something that "happens" – and can thus be studied conclusively – but rather a process, transforming over time because of the contradictory interests and meanings given by actors. This invites researchers to look beyond the rational, public scene of conflict (Kolb & Putnam 1992) and to uncover the hidden, informal and private meanings, aspects, emotions and transformation embedded in conflict processes. In order to understand conflicts in complex organisational settings, one – be they a practitioner, leader, manager or researcher – must look beyond the events actors are facing. Kolb and Putnam (1992) suggest that when studying conflicts, the unit of analysis should be a dispute(s).

Development initiatives in Finnish public social and health services provides illustrations of cross-sectoral, complex and dynamic processes, context and problems with multiple stakeholders and levels of administration. All actors share a common goal – to have services that meet the needs of citizens in an effective and efficient manner. However, interpretations about what was effective and efficient, and from whose perspective, varied considerably. By studying the experiences of actors and recognising the differences they identify and experience while cooperating with others, researchers can gain an increased understanding as to how conflicts shape and affect organisational outcomes. Research on conflict can also help to explore differences in order to aim for positive outcomes.

The task of a researcher is first to help informants understand, and potentially re-conceptualise, their interpretations of conflict experiences. Second, it is to help them transform the sensemaking process. Putnam



(2010) refers to these processes as framing and reframing; her assumption is that negotiators are people who have the possibility to foster these processes. Taking the negotiator's role, a researcher can enact framing and reframing, most commonly in the interview processes where informants can reflect on their experiences and form their own understanding of the overall context. Understanding can be shaped by exploring alternative explanations and reframing one's relation to their life context whilst telling stories. In research, this can be understood as a co-constructive sensemaking process between researcher and the informant. In everyday organisational life, the sensemaking process can occur between a consultant and employees and/or leaders and managers; between leaders, managers and employees; between employees; or between different stakeholders, to name a few.

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Understanding can be shaped by exploring alternative explanations and reframing one's relation to their life context whilst telling stories.

## Discussion

Why, then, is it so difficult to address conflicts as drivers of transformation? Arguably, the subjectivity of conflict, always experienced by individuals, affects the process of reflexive practice. After all, conflict is a contrast to individual identity. The need for change, then, calls for changed identity. This affects the intensity of the emotional responses of uncertainty, frustration, or even anger, to name a few, to which the conflicting practices, attitudes, values and beliefs give rise.

Leaders attempt to overcome these often disturbing and negative emotions aroused by conflicts by implementing traditional ways of management and leadership. Yet these do not work very well in settings of uncertainty and complexity. It is easy – but not quite complex enough – to place one's trust and hopes in cooperation when dealing with wicked problems and everyday tasks in complex organisational life.

However, in order to be successful amidst these complexities, leaders cannot rely on attempts to pursue only balance and consensus, which can lead to repeating old ways of doing or copying others (Stacey, 2011). I have argued instead that the role of conflicts, and how they are linked to leadership and change, becomes crucial:

Let me suggest that an organization is precisely the opposite of the cooperative system. Think of an organization as a means for internalizing conflicts, for bringing them within a bounded structure so that they can be confronted and acted out. . . . Far from being a “breakdown” in the system, conflict in this alternative model is the very essence of what an organization is. If conflict isn’t happening, then the organization has no reason for being (Pondy, 1992, p. 259).

In the social relations of organisational life, cooperation and conflict are both present at the same time. This is because people bring their differences to their interactions with others. Through dialogue and negotiation of these differences, learning and change can emerge. It is not only at negotiation tables but especially in everyday discussions that people have the potential to change and build their future – and the future of their organisations (Stacey, 2011). In leading change, then, it becomes essential to pay attention to everyday interaction, and most importantly, to concentrate on the negotiation of differences as well as on reaching out for conflicts in a manner that encourages them to be negotiated rather than avoided.

The argument, developed on the basis of empirical research on boundary-spanning public service development initiatives, is that being reflexive towards the conflicts of organisational life could promote the development of individuals, and change in organisations through individual development. Dealing with and aiming to lead change is about foregrounding people and their experiences and paying attention to what is happening, in particular within intra and inter-organisational social relations. However, because uncertainty and intense emotional responses arise from conflicts, it is understandable that people are not keen on addressing their differences. The practice of leadership and management then becomes about enabling cooperation and emphasising, not

suppressing, diversity. This stands in contrast to the idea of leadership as choosing one “best possible” intention over another in a top-down manner.

In addition to their need to become reflexive practitioners, leaders and managers are in a position in which they have a responsibility to enable their employees to develop their abilities to think and express themselves reflexively. This might involve, for example, enabling dialogue and negotiation, offering sufficient time and opportunities to pay attention to and be reflexive about how and why their work is carried out in practice. It is the responsibility of leaders to deal with conflicts involving values and power and to help others do so in a reflexive manner (Cunliffe & Jun, 2005). Conflicts are inherently moral and ethical activities (Ehrich & English, 2013). This suggests that reflexive practices offer a possibility for organisational transformation through more critical, responsible and ethical actions.

Change, and thus leading change, requires criticising habitual practices as well as questioning one’s own thinking, experiences and the ways one is relating with others (Chia, 1996; Heidegger, 1966). This reflexive practice opens up the possibility of changing current practices, giving rise to alternative ways of thinking and doing. However, actors are embedded in their historically constructed institutions and life contexts. It is not easy to let go old ways of being in relation with the world. Because changing one’s way of thinking is a profoundly subjective, individual act of self-reflexivity (Cunliffe & Jun, 2015), it can be a difficult process. It is, however, the most important process in the development of individuals and organisations.

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# PUBLICATION II

**Reimagining organisational conflicts through the metaphor of music**

Paula Rossi

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# **Reimagining organisational conflicts through the metaphor of music**

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# Reimagining organisational conflicts through the metaphor of music

In this theoretical article, the vital role of conflicts in knowledge creation is foregrounded, and the concept of conflict is reimagined using a metaphor of music. Theoretically, knowledge creation is understood as a process in which people, through institutionalisation, synthesise their conflicting institutional arrangements affecting their decisions, actions, and behaviour. Utilizing metaphor as a methodological choice, and combining music and organisational conflicts in an analytical framework offer ways to cross and move the boundaries between arts and science of organisational studies. As a result, conflicts are reimagined and reconceptualised as *relational, felt meaning and lived experiences of differences in institutional arrangements*. This reimagined concept shifts the focus of organisational conflicts from ‘thingification’ to human aspects underlying the sense-making of conflict experiences: the evolving story, identity, emotions and power relations.

Keywords: conflict, metaphor, knowledge creation, organisations, experiences, complexity

## Introduction

Knowledge creation and organisational development are beset with conflicts (Rossi & Tuurnas, 2019; Vince, 2014), which, indeed, are “a stubborn fact of organizational life” (Kolb & Putnam, 1992, p. 311). In the predominant research paradigm, particularly studies on knowledge sharing and team performance (see, e.g., Chen, 2011; Chen, Zhang & Vogel, 2011; Kakar, 2018), organisational conflicts are usually divided into task and relationship conflicts. It is recognised, however, that these typologies of conflicts are evidently interconnected, and have inconsistent impacts on team performance (Hinds & Bailey, 2003; Kakar, 2018).

To overcome these inconsistencies, Hinds and Bailey (2003) and Kakar (2018), for example, suggest that instead of dividing conflicts into task and relationship conflicts, organisational conflicts should rather be understood as dynamic processes. Indeed, the language and the metaphors we use to derive the concepts' meaning from, affect how conflicts are addressed both in organisational studies and, more importantly, in everyday organisational life. Metaphors, for example, have an impact on how we reason about conflict, what aspects of it are highlighted and hidden and what is understood as problems and solutions. (Andriessen, 2008.)

What the predominant research paradigm seems to suggest is a rather mechanistic approach, in which the organisational conflicts are understood as objective, neutral, countable, controllable and manageable things (Andriessen, 2008). Systems-thinking view on organisational conflicts, on the contrary, foregrounds the complexities of everyday organisational life, deepens the understanding about underlying structures and dynamics (Arnold, 2015), addresses the dynamic tensions, exposes multiple perspectives, assumes emergent causality (instead of linear, cause-effect), and illustrates the plurality of voices (Greenhalgh & Papoutsis, 2018).

As a methodological choice, metaphor offers a way to address these tensions whilst revealing contradictions between meanings addressed to the concept of organisational conflicts (Elenurm, 2012). Thus, metaphors can be a powerful way to create knowledge, as they offer alternative ways of articulation by detaching the concept from its dominant vocabulary (Tsoukas, 2009). Using metaphor to explore concepts can hardly be perceived as a unique tool for creating new knowledge (Lakoff & Johnson, 2003; Wurmser, 2011). In the organisational literature, however, the concept of organisational conflict has not been typically studied using the metaphor of music.

This article calls attention to the vital role of conflicts in knowledge creation and organisational development, and utilises the metaphor of music as a way to manage imagination (Spender, 2008) about the concept of conflict. It is expected that music will emphasise the characteristics of conflicts that are present but hidden, and not yet articulated (Andriessen, 2008), giving rise to new language and insights about the concept. Primarily, the metaphor of music shifts the focus from the prevailing mechanistic approach of organisational conflicts to felt meaning and lived experiences: “I did not just hear music and appreciate it intellectually, I felt it deeply” (Kemler 2001, p. 1).

Pursuing new language and insights, the concept of organisational conflicts is reimagined through a metaphor of music by asking *what underlying aspects the metaphor of music reveals about organisational conflicts and how people make sense of their conflict experiences*. The article proceeds as follows: first, the theoretical framework, which concerns the role of conflicts in organisational development and knowledge creation, is presented. Second, metaphor as an analytical framework for reimagining concepts is proposed, and the metaphor of music is used as a methodological tool for critical analysis, revealing false argumentation and aspects of thinking that highlight certain features of conflicts and hide others (Andriessen, 2008).

As a result, a reimagined concept of conflicts as *relational, felt meaning and lived experiences of differences in institutional arrangements*, as well as the aspects of evolving stories, identity, emotions and power relations underlying the conflicts’ felt meaning and lived experience are explored. In conclusion, the implications of the reimagined concept of conflicts for management paradigms and practices are discussed.

## **Framework**

### *View of the predominant research paradigm on organisational conflicts*

In the predominant research paradigm, various typologies of organisational conflicts have been proposed (Speakman & Ryals, 2010). Generally, conflicts are divided into four main levels: intergroup, intragroup, interpersonal and intrapersonal (Lewecki et al., 2011). Other scholars have classified conflicts based on whether they concern tasks or relationships (De Dreu & Weingart, 2003; Jehn, 1997; Pinkley & Northcraft, 1994; Reid, Bolman Pullins, Plank, & Buehrer, 2004; Sessa, 1996; Van de Vliert, Nauta, Giebels, & Janssen, 1999; Wall & Nolan, 1986); are cognitive or affective (Amason, Thompson, Hochwarter, & Harrison, 1995); content, relational or situational (Katz Jameson, 1999); or affective, cognitive or process-related (Speakman & Ryals, 2010). In addition, emotional (Bradford et al., 2004) and goal conflicts (Tellefsen & Eyuboglu, 2002) have been widely studied and used.

In the literature on the impact of conflicts on team performance and knowledge sharing (see, e.g., Chen, 2011; Chen, Zhang & Vogel, 2011; Hinds & Bailey, 2003; Kakar, 2018), conflicts are often classified into task and relationship conflicts. However, the findings of many of these studies are inconsistent (Hinds & Bailey, 2003; Kakar, 2018). The interconnectedness of these typologies is recognised (Hinds & Bailey, 2003; Kakar, 2018), and it is suggested that conflicts should rather be understood as dynamic processes (Hinds & Bailey, 2003). Despite this, the predominant research paradigm seem to guide the way in which organisational conflicts are understood. These typologies are problematic, as they seems to suggest a mechanistic approach to understanding and studying the complexities of everyday organisational life, assuming linear causality and possibilities for command and control.

### ***Conflicting institutional arrangements underlying organisational life***

Instead of understanding conflicts as destructive or ‘deviant activit[ies]’ (Putnam, 1997, p. 147), organisational scholars have long acknowledged that conflicts are embedded in interaction and, both a potential and necessity for organisational development.

Evidently, numerous and versatile studies have been conducted on organisational conflicts. However, there are tensions between the terms and typologies of the predominant research paradigm of organisational conflicts (Speakman & Ryals, 2010) and the experience-related, practical, complex nature of conflicts emerging from everyday interactions. This article focuses on the latter: conflicts embedded in interaction—and co-operation—are inseparable from human interaction and, thus, organisational life (Cooley, 1918; Follet, 1918/1998, 1924; Nonaka & Toyama, 2003; Stacey, 2011). Pondy (1992) goes further, stating that conflicts are essential to organisations’ existence, as an organisation consists of, drives, and develops from its diverse members.

According to Nonaka and Toyama (2003), knowledge is created when people with different goals and contexts are trying to understand evolving organisational life by interacting with people who hold different, contradictory views. Indeed, knowledge and knowledge creation in organisations reside in the interactions and social relations of human beings (Lehtimäki, 2017; Nonaka & Takeuchi, 1995; Nonaka & Toyama, 2005; Stacey, 2011). Conflicts, as contradictory institutional arrangements—values, beliefs, aims, and practices—of interacting individuals, are unavoidably shaping the organisational life, and allowing novelty to emerge (Blomgren & Waks 2015; Mowles, 2011, 2015; Rossi & Tuurnas, 2019; Stacey, 1992, 2011).

These varying and conflicting institutional arrangements underlie the decisions, behaviour and actions of people (Skålen, Aal, & Edvardsson 2015; Vargo, Wieland, &



Akaka 2015) and are therefore essential for knowledge creation and organisational development. Theoretically, conflicts are an important subject to understand, and in practice, they are key drivers of knowledge creation and organisational development (Rossi & Tuurnas, 2019; Skålen, Aal, & Edvardsson 2015.)

### ***Knowledge creation and organisational development through institutionalisation***

Although it is well known that knowledge and knowledge creation are essential for organisations' success, less is known about the processes through which knowledge is actually created. Nonaka and Toyama (2003, p. 2) shed some light on these processes, conceptualising knowledge creation as 'a dialogical process, in which *various contradictions are synthesized* through dynamic interactions among individuals, the organization, and the environment' (emphasis added). These scholars argue that the process of knowledge creation lies in synthesis of contradictions through dialectical thinking and acting (Nonaka & Toyama, 2003), meaning that conflicts are prerequisites for knowledge creation and organisational development.

Deriving from systems-thinking paradigm, the process of synthesising contradictions is referred to as *institutionalisation* in service ecosystems literature. In institutionalisation, actors not only create but also disrupt and maintain institutional arrangements (Rossi & Tuurnas, 2019; Trischler & Charles 2019; Vargo, Wieland, & Akaka 2015; Vink et al. 2019). Institutionalisation involves co-creational processes in which actors cope with and resolve the contradictions and inconsistencies that are foundational to all institutional arrangements (Vargo, Wieland, & Akaka 2015).

Consequently, conflicts are notable differences in human interactions and more particularly in the thought processes of individuals experiencing them (Rossi, 2019), and knowledge creation can be located in inherently relational, yet individual thought

processes. Spender (2008) refers to this idea in terms of managing one's imagination and 'understanding and shaping the constraints on it as it impacts and engages the world' (p. 165). Conflicts, thus, emerge in the thinking processes of an individual, whilst one makes sense of the conflicts by questioning one's own thinking, experiences and the ways that one relates with others and the world (Chia; 1996; Heidegger, 1966; Rossi, 2019). Yet, the question of how actors make sense of these nested conflicts requires further exploration. Therefore, the aim of this article is to explore *what underlying aspects the metaphor of music reveals about organisational conflicts* and further to understand *how people make sense of their conflict experiences*.

## **Methodology**

### ***Metaphor as a tool for knowledge creation***

Metaphor, as a tool for knowledge creation, addresses tensions whilst bridging different, contradictory domains of experience (Wurmser, 2011) and revealing contradictions between meanings (Elenurm, 2012). As a methodological choice, metaphor can trigger knowledge creation about organisational life in various ways. For this reason, it has been utilised in numerous organisational and leadership studies (e.g. Alvesson & Spicer, 2011; Ehrich & English, 2013; Lumby & English, 2010; Morgan, 1986; Weick, 1998).

Metaphors can reframe concepts (Tsoukas, 2009), trigger articulation (Håkanson, 2007), help people perceive things differently (Ehrich & English, 2013), reveal and manipulate meanings (Elenurm, 2012; Lumby & English, 2010), manage imagination (Spender, 2008) and create new understandings 'and, therefore, new realities' (Lakoff & Johnson 2003, p. 235). In this article, the metaphor of music is used as a methodological tool to reimagine organisational conflicts from novel perspectives.

### *Using a music as a metaphor: foregrounding felt meaning and lived experiences*

The language we use to describe conflicts, including the metaphors we use, affects how conflicts are managed in organisations. Metaphors can, for example, have an impact on how we reason about conflict, what aspects of it are highlighted and hidden and what is understood as problems and solutions. Thus, they can serve as a tool for critical analysis by revealing false argumentation (Andriessen, 2008.)

The way we talk about music also has an impact on our understanding. The function of language is clear and self-evident, but it does not capture the whole meaning of either conflicts or music (Van Niekerk & Page-Shipp, 2014). As Mithen (2006, p. vii) said, 'I came to appreciate that it was not only music I was addressing but also language: it is impossible to explain one without the other'. Approaching music as felt meaning, Kemler (2001) argued that listeners cannot approach music solely as language:

Listeners do not merely hear the music and thus grasp its meaning; rather, they live its meaning. Indeed, listeners may also, through participating bodily in live or recorded musical performances, live tacitly known, felt social meanings—such as a sense of identity or place—in intensified fashion. (p. vi)

Musical meaning, according to Kemler (2001), is a complex phenomenon comprising at least three different realities: (1) physical reality, (2) social reality and (3) individual, psychological reality as an individual experience. In the third meaning, both previous realities 'come into being and are maintained' (Kemler, 2001, p. 9).

The predominant research paradigm's conceptualisation and typologies of conflicts do not capture the meaning, experiences and dynamic nature of conflicts and their role in knowledge creation and organisational development. Thus, it cannot reveal *how* knowledge is created through conflicts. In the following quote, Kemler (2001)

discusses the disparity in theories and experiences of musical meaning, creating a basis for understanding the tensions between prevailing theories and experiences:

How could something that had merely seemed pretty come to mean so deeply? Nothing in my college music classes even approached an answer to this question. Those classes, theorizing about music and its meaning seemed overly cerebral, as if engaging with music were a matter that involved only the ears and brain. With my visceral, bodily way of experiencing music, I felt at odds with the scholarly musical culture I encountered there. I did not just hear music and appreciate it intellectually, I felt it deeply. Indeed, I lived it bodily. When playing music was at its best, I did not play the music, it played me. My experience as a flute performance major deepened the growing gap I felt between what was said about music in classes and how I experienced it. The ideas I learned in my theory classes seemed to have little to do with my goals in the practice room, where I struggled to transform plain notes into dynamic music. Although I enjoyed analyzing pieces for theory class, ultimately, those analyses did not even come close to touching the real power and meaning that music held for me. As a performer, it seemed to me that music theory—its language and approach—was a world somehow separate from mine. (pp. 1–2)

Regarding the tension between prevailing theories and experiences, the predominant research paradigm that guides studies on organisations and the conceptualisation and typology of conflicts hides more about organisational reality than it reveals. Consequently, an appropriate metaphor for where the predominant conceptualisation of conflict derives meaning (Andriessen, 2008) could be conflict as ‘battle’ (Table 1).

Source domain	Reveals and assumes	Hides
<b>Battle</b>	Visible and addressable public events Winners and losers Right and wrong Destructiveness Avoidance Negotiation Power (over)  Linear causality Command and control	Hidden, informal, private meanings, aspects and emotions Dynamic, evolving and relational processes Power (with)  Emergence Interconnectedness Uncertainty

Table 1. Characteristics of organisational conflicts that the metaphor of a battle reveals and hides.

First and foremost, the ‘battle’ metaphor seems to hide the human aspects of organisational conflicts: the hidden, informal, private meanings and emotions embedded in relational, evolving and dynamic processes of sense-making (Mather & Yngvesson, 1980). In order to highlight these often-neglected aspects, this research utilises the metaphor of music, focusing on musical meaning and experience. The ‘battle’ metaphor sees conflicts as either generative or destructive; concerning either tasks or relationships; and often-dramatic confrontations and public events. In practice, however, most conflicts are embedded in interactions of everyday organisational life, occurring informally and out of sight (Kolb & Putnam, 1992).

When reimagining the concept of conflict, the focus is on the meanings given to experiences. Even when a conflict might be traceable, for example, to the intergroup, intragroup, interpersonal or intrapersonal level (Lewecki et al. 2011), or when it concerns tasks rather than relationships, it should be emphasised that an individual always experiences it (Rossi, 2019). Therefore, the meaning of conflicts should be addressed by understanding conflicts as experiences (i.e. individual, psychological realities). This entails both the physical and social reality one experiences and

foregrounds the hidden, informal, private and social meanings to bodily felt and lived experiences (i.e. the being in the world).

**Results: reimagining organisational conflicts through music metaphor**

The dimensions of form, volume, harmony, rhythm and texture are used to reimagine organisational conflicts (Table 2). These dimensions were drawn from the article ‘Music as a metaphor for organizational change’ (Mantere et al., 2007), in which they are used as a starting point for understanding how musical experience structures sense-making. It is expected that musical meaning will enhance our understanding of organisational conflicts by shifting the focus from theories to felt meaning and lived experiences.

<b>Dimensions</b>	<b>Musical meaning</b>
<b>Form</b>	Plot of the musical piece, musical narrative/story Theme is introduced, variations of the theme are played Tensions emerge from not knowing the outcome
<b>Volume</b>	Intensity or force of the music Intensity varies, contributing to the story Silence is a level of volume
<b>Harmony</b>	The overall atmosphere created by different voices contributing to a whole Can be strictly built in music or the music can allow harmony to break Inconsistencies building the musical story
<b>Rhythm</b>	Habitual pattern and tempo of the music Tensions emerge from breaking the patterns
<b>Texture</b>	Overall quality of the sound

Table 2. The dimensions that structure musical meaning.

**Form** refers to the plot of a musical piece. This musical narrative or story is constructed of different parts, and, typically, a theme is introduced and slightly different variations on that theme are played. In the musical narrative, tensions emerge from not knowing its outcome or conclusion, creating anticipation for relaxation or release.

Likewise, in organisational life, conflicts can be viewed as creating tension as well as the story of the organisation in everyday interactions, where both co-operation and conflicts are present and interwoven. Conflicts provoke a state and feeling of uncertainty as individuals do not know whether their experiences are going to meet their expectations. Thus, conflicts are essential parts of the story of organisational life, simmering below whilst people try to get things done together but sometimes bursting to the surface in publicly confrontations.

What seems to be a minor detail to someone ‘reading the organisational story’ from outside (e.g., someone not responding to an email) can—in the minds of those involved and in the broader context of the organisation’s story—be an important clue for a conflict. Then, the form of the organisational story emerges: it is an interplay of co-operation and conflicts in organisational life in which uncertainty and unexpected events disrupt efforts to create a coherent, concluded story.

*Volume* indicates the intensity or force of music. In music, intensity is expected to vary to create a story. A musical piece can sound completely different if the volume of the musicians changes or certain parts of the form increase or decrease in volume. It is important to note that silence is also a volume: a powerful expression and a fundamental part of musical story.

Likewise, not all members can join and influence organisational life with the same force; it is expected that intensity will vary. Also, silence is an essential part of emerging story of the organisational life. When thinking about conflicts specifically, volume relates to the power relations inherent in experiences and to the intensity of events, experiences and emotions. In practice, volume indicates, for example, how publicly a conflict is occurring (e.g. shouting in a corridor or ignoring a co-worker), or how intensive is the emotion (e.g. anxiety, frustration, anger, fear or sadness) evoked by

the conflict which in turn relates to how the conflict is addressed (e.g. ignorance, transfixion or reflexivity).

The volume of a conflict situation is subjective and thus experienced differently by the individuals involved. Additionally, the intensity of emotions varies and evolves in individuals' sense-making processes. Silence and temporal distance from conflicts are also needed when conflicts have to be understood and made sense of; in other words, silence and temporal distance are necessary for reflexivity and through it, the development.

In music, *harmony* is not about differences in voices, but about the overall atmosphere created by different voices as a whole. Depending on the style and musical era, harmony can be strictly built into composed music (e.g. in baroque) or music can allow harmony to break and flirt with inconsistencies, which are building the musical story.

As previously suggested, conflicts and complexity in organisations are the consequences of the fundamental diversity of human life, and these different individuals contribute to the organisational harmony. In the context of harmony, it is important to ask how an organisation deals with inconsistencies, i.e. conflicts. Does the management adhere to a coherent and consistent plan for the future, or does it allow conflicts to contribute to the evolving story of the organisation? Are conflicts treated as deviant activities that must be suppressed or is diversity—and thus conflicts—allowed and valued?

*Rhythm*, the habitual pattern and tempo of music, offers insight and interesting possibilities for shaping the imagination and conceptualisation of conflicts. In both music and organisational life, tensions emerge from breaking habitual patterns. For example, conflict can urge participants to acknowledge that they are different, meaning that they have different rhythms and different possibilities for influencing organisational



life. A person can also experience conflict with the rhythm or logic of practices or weekly, monthly and yearly routines. Furthermore, daily life features a constant flow of emails, requests, interruptions and unexpected events that need to be dealt with, setting and breaking rhythm.

In addition, the interplay between actions and pauses, talking and listening, standing still and moving, influencing and being influenced, creates the rhythm of organisational life. Again, temporal distance and silence during the pause phase are important to the evolving story and are needed to make sense of conflicts as incompatible rhythms. It is also important to draw attention to the role of one's body in producing and understanding rhythm, as rhythm is a bodily felt experience.

The *texture* of music emerges from the combination of different instruments, rhythm, volume and harmonic material of a music piece. Thus, texture can be understood as the overall quality of the sound. In organisational life, texture is related to organisational structures, hierarchies, physical reality, and the institutional arrangements of actors. For example, someone might want to ask how conflicts have affected the overall story of an organisation and what conflicts might indicate about the dominant institutional arrangements or how the structures and practices of the organisation foster interaction and dialogue between different members. As a conclusion, the Table 3 summarises how the dimensions of musical meaning discussed above can be applied to organisational conflicts.

<b>Dimension</b>	<b>What it reveals about conflicts</b>
<b>Form</b>	Story emerges from the interplay of cooperation and conflicts Emerging uncertainty Expectations vs. experiences
<b>Volume</b>	Individuals have different volumes Intensity of experienced conflicts, events and emotions varies Volume is experienced and interpreted subjectively Silence and time impact sense-making and reflexivity Power relations and imbalances
<b>Harmony</b>	Fundamental diversity of human life Harmony constituting of different individuals co-operating Conflicts either suppressed or valued
<b>Rhythm</b>	Individuals have different rhythms Routine tasks, practices and structures creating rhythm Tensions emerge from differences between people and breaking of habitual patterns Silence and time impacting sense-making and reflexivity Bodily felt meanings, experiences and emotions in producing and understanding rhythm
<b>Texture</b>	Physical and social reality combined in experiences Structures, hierarchy, power relations and institutional arrangements Institutional arrangements of individuals in relation to others create texture

Table 3. How the dimensions of musical meaning relate to organisational conflicts.

### **Synthesis: Sense-making of the felt meanings and lived experiences of organisational conflicts**

#### ***Shifting the focus on human aspects***

The synthesised conceptualisation that reveals characteristics about conflicts through the metaphor of music (Andriessen, 2008) initiates a shift away from rationally addressed, controlled, managed or avoided events (conflicts as battles) towards *relational, felt meanings and lived experiences of differences in institutional arrangements* (conflicts as music). Further, this reimagined conceptualisation draws attention to the underlying and interconnected human aspects, which structure the sense-making of organisational conflicts: an evolving story, identity, emotions and power relations (Table 4).

Revealed through the metaphor of music	Underlying human aspects
Expectations and experiences Sense-making Different institutional arrangements of individuals creating conflicts Breaking patterns by doing things differently Relational, dynamic and essential nature of conflicts Hidden meanings, silence and time contribute to the meaning of conflicts	Evolving story
Fundamental diversity of individuals Subjective interpretation, expectations and experiences Sense-making through self and identity	Identity
Often-negative, intensive, bodily felt emotions provoke sense-making Emotions of anxiety and uncertainty provoked by conflicts The intensity of provoked emotions depends on one's identity and previous experiences	Emotions
Individuals with unequal possibilities to influence institutional arrangements Power inherent in interactions, contributing to expectations and experiences Bodily felt and experienced rhythm	Power relations

Table 4. The interconnected, relational human aspects underlying the felt meaning and lived experience of conflicts.

To begin with, musical meaning is a subjective, *lived experience*: no one other than the listener can describe which emotions it awoke, how the rhythm felt, what textures were preferred or how its temporality affected. As Reimer (2003) states, the value of music emerges through immediate experiences with meaningful sounds. Likewise, the value of conflicts for knowledge creation and organisational development emerges through lived experiences and felt meanings.

Although experiences are subjective, it is essential to emphasise that they are simultaneously unavoidably emerging and evolving in relation to the life's physical and social aspects (Kemler, 2001; Rauhala, 1998), in processes of sense-making. Here, sense-making is defined as a process in which people are trying to understand experienced conflicts. Many studies have describe sense-making as something that enables people to engage in change, make decisions and find innovative solutions to problems (e.g. Maitlis et al., 2013).

### *Evolving stories underlying the sense-making*

The understanding of organisations as ‘storytelling systems that are performed into existence’ (Frandsen et al. 2017, p. 1) focuses on the stories that people tell whilst making sense of their experiences (Herman, 2009; Walsh, 2018). Storytelling is a basic human strategy for coping with change, processes and time (Hyvärinen, 2016; Vaara & Tienari, 2011), and stories have the potential to capture expectations and experiences as the ‘felt quality of lived experiences’ (Herman, 2009 p. 138).

Conflict, as an evolving story, is a process that transforms over time because of the actors’ contradictory experiences, interests and interpretations (Hyvärinen, 2016; Mather & Yngvesson, 1980). Neither music nor conflict is an event that occurs at a specific time and place that people can address; rather they are processes in which the embedded hidden, informal and private meanings, aspects, emotions and evolution are important (Rossi, 2019). Notably, stories about conflict experiences and the way conflicts meaning evolves are always related to the stories of others, and the relations between these stories are constantly evolving as people interact and try to make sense of what is happening and why. It is in these processes of relating where knowledge can emerge.

When people think about music and how it is experienced, it becomes clear that they cannot label music as only enthralling or mediocre, or as silence or noise. Music is still music, even if there is no audience, and its melody includes silence as a necessary story element. Likewise, conflict cannot be understood or categorised solely as being generative or destructive, cognitive or affective, or to concern merely tasks or relationships: it moves between these extremes over time and space. For example, an outcome can shift from destructive to generative as people make sense of their experiences. Shifts also occur between the hidden and visible, unaddressed and

addressed, and expected and experienced. Storytelling is a way of navigating the gap between these extremes: in otherwise complex and randomly seeming everyday life, storytelling thus provides a way to make sense of the complexity in and around organisations and ourselves (Frandsen et al., 2017).

### ***Identity underlying the sense-making***

Whether music is interpreted, understood or felt as inspiring or boring depends on the individual who is interpreting, understanding and feeling it. This also applies to conflicts: the identity of an individual, which is built upon their previous experiences, influences and is influenced by their experiences and understanding of conflict. Experienced conflicts often pose threats to the experiencer's identity and are thus difficult to confront whilst attempting to protect the identity. It is perfectly understandable for people to address identity-threatening, contradictory experiences by creating coherent stories that match their existing stories and self-concepts (Kreiner, Hollensbe, & Sheep, 2006; Maitlis et al., 2013).

The interconnectedness of conflicts and identity often gives rise to intense bodily emotions, which are commonly left unaddressed and unarticulated. Our bodies possess knowledge in the form of intuition, emotions and physical skills (Ehrich & English, 2013), but we are not accustomed to addressing this knowledge. Moreover, the emotions aroused during conflicts and the intensity of these emotions depend on the experiencer's identity and previous experiences in the context of one's life and are thus subjective.

### ***Emotions underlying the sense-making***

It might not be a conflict itself that triggers an experiencer's sense-making process, but the bodily felt, intense (and often-negative) emotions evoked by conflicts. Maitlis,

Vogus and Lawrence (2013) stated that emotions should be explored as a critical part of the sense-making process because they indicate the need for and support this process. As many studies have shown (Baumeister, Bratslavsky, Finkenauer, & Vohs, 2001; Labianca & Brass, 2006; Maitlis et al., 2013; Rozin & Royzman, 2001), intense negative emotions receive more attention and must be made sense of more often than positive emotions, such as contentment or joy.

Intense negative emotions aroused by experienced conflicts are often rapid and, as such, are not fruitful grounds for sense-making. However, triggered by conflicts as negative events, negative emotions are made sense of in slower, reflexive sensemaking processes. Reflexivity and temporal distance allow generative sense-making to take place in what Baumeister, Vohs, Nathan DeWall, and Zhang (2007) refer to as a dual-process approach. Emotions can also be regarded as the emotional energy released by conflicts. This energy can serve as a cognitive and behavioural awakening for the experiencer that leads to transformation (Hargrave & Van de Ven, 2017).

In contrast to conflicts, which often generate rapid negative emotions, music often evokes positive emotions in the listener. Hence, in regards to emotions, music is an inadequate analogy to conflicts. However, both are characterised by a relation between experience, emotions and identity; in both music and conflict, the intensity of an experience and the emotions aroused are filtered through the experiencer's identity. As Kemler stated (2001, p. 8), 'Musical meaning occurs in this intransitive, resonant manner; it does not necessarily mean *something*, it simply means. Through bodily experience, music resonates with and in the inner self of the individual listener'.

Human behaviour—and thus the sense-making about conflicts—are more greatly extent affected by emotions than by rational reasoning; the emotional tail wags the rational dog (Kahneman, 2011). Recognising the role of emotions in conflicts calls for

self-awareness and awareness of embodied knowledge in one's own and others' stories as well as congruency with and authenticity in articulated and unarticulated ways of relating to others.

### ***Power relations underlying the sense-making***

Importantly, self-awareness, reflexivity and relating to others are thought processes characterised by inherited ethical, responsible and critical actions that involve values and power relations (Cunliffe & Jun, 2005; Ehrich & English, 2013). As the rhythm and volume varies, so do the possibilities for people to affect knowledge creation and the development of organisational life. All interactions are characterised by power relations, as power is integral to people's experiences (Vince, 2014), and not all people have equal possibilities to influence especially in complex, multi-actor settings (Haynes, 2018).

Power relations both hinder and enable behaviours and actions (Vince, 2014), and they affect the actors' possibilities to change their values, beliefs, aims and practices. Power relations and institutional arrangements are thus intervened: people have unequal power to choose, of whose and which institutional arrangements are created, maintained, disturbed or, often unconsciously, followed (Rossi and Tuurnas, 2019).

### **Discussion: a paradigm shift from mechanistic events to systems-thinking view on organisational conflicts**

For one aiming to manage knowledge creation and organisational development, the traditional, mechanistic paradigm leads to difficulties in dealing with the complexity, uncertainty and paradoxes of organisational life. Uncertainty is a consequence of the complexity, and complexity arises from humans, who are simultaneously rational and

emotional, thinking and feeling, co-operative and conflicting, and reflective and bodily experiencing beings. (Rossi, 2019.)

Therefore, instead of dehumanising organisational conflicts as objective, neutral, mechanistic, countable, controllable and manageable things—what Andriessen (2008, p. 8) refers to as ‘thingification’—we need to reground our thinking to profoundly human aspects of organisational life. This calls for a paradigm shift towards systems-thinking view, which, instead of reductionist approach’s typologies, focuses on complexities of everyday organisational life, and deepens the understanding of underlying structures and dynamics (Arnold, 2015). Systems-thinking view on organisational conflicts thus recognises the importance of exploring dynamic tensions, exposing multiple perspectives, assuming emergent causality (instead of linear, cause-effect), and illustrating the plurality of voices (Greenhalgh & Papoutsi, 2018).

### ***Managerial implications***

Utilising the systems-thinking view, the reimagined conceptualisation of organisational conflicts has important implications for understanding the organisation-related, fundamental phenomena of leadership and management (Tjosvold, 2008). The vital role of conflicts in knowledge creation and organisational development highlights the dynamic, relational nature of organisational life, and, as Nonaka and Toyama (2003) suggested, knowledge management and knowledge creation are profoundly embedded in interaction and occur through reflexivity regarding differences.

Consequently, in management research and practice the attention shifts to what is happening in everyday interaction and how conflicts, as necessities for knowledge creation, contribute to the relational process of organisational life within the complex, living systems. It becomes thus necessary to consider whether conflicts are seen as deviant activities that need to be suppressed or as expressions of diversity, and whether



the manager sees him- or herself capable as of guiding development with a coherent strategy or allows and values inconsistencies and conflicts.

First, the importance of bodily experienced and unarticulated aspects—hidden and private meanings and emotions—to management practices need emphasizing. According to Ladkin (2008) and Sinclair (2005), leadership is often theorised as a disembodied practice of rational behaviour and brain activity, but it should be addressed as an often unarticulated, embodied activity, as ‘understanding, reasoning and meaning are based in bodily experience in the world’ (Kemler, 2001, p. 3). Managers often try to overcome disturbing emotions aroused by conflicts by implementing traditional management strategies, which do not work very well in uncertain and complex settings. Therefore, attempts to create typologies, manage, control and avoid conflicts become efforts to manage, control and avoid the people’s experiences, identities and emotions aroused by conflicting opinions, values, beliefs and practices (Rossi, 2019).

It is important for managers to be aware of individual *evolving stories* about the relational, felt meanings and lived experiences of conflicts, as well as their connectedness to change at both the individual, organisational and systems levels. In other words, it is important to foreground subjective experiences and allow space for ‘multiple realities and multiple voices’ (Ropo & Sauer, 2008, p. 569). The challenge for managers is to turn their attention to the dynamics of organisational life through self-awareness and reflexivity.

Nevertheless, the sense-making process, occurring through self-awareness and reflexivity, is tightly intertwined with one’s *identity*. Especially for those in leadership positions, practicing self-awareness has social costs, as it might require publicly admitting confusion and uncertainty and may potentially raise questions about whether the manager is competent (Blatt, Christianson, Sutcliffe, & Rosenthal, 2006; Maitlis et

al., 2013). It is also noteworthy that self-awareness and reflexivity requires efforts and thus can be a difficult and unpleasant processes that may change the way one thinks (Maitlis et al., 2013). This might be the most difficult, but essential, task to do.

*Emotions* are located in people's bodies, and their bodies communicate emotions, even if they are not articulated or consciously addressed (Damasio, 2000; Merleau-Ponty, 1962). Humans are highly skilled in picking up these unspoken messages and unconsciously responding to them in interaction (Stacey, 2005). This recalls the awareness of knowing in and through the body (Merleau-Ponty, 1962; Ropo & Sauer, 2008). The rhythm of the organisational life is experienced in and through the body and affected by the rhythm of others (Ropo & Sauer, 2008). Leading and managing are embodied activities in which participants unavoidably communicate through their gestures, facial expressions, voice tones and body movements (Ladkin, 2008).

Within a systems-thinking view that foregrounds organisational dynamics and interaction, *power relations* are always present and embedded in experiences, underlying actions and behaviour. A key element that motivates people to develop organisational life is the struggles over power and position (Skålen, Aal, & Edvardsson, 2015). Managers naturally hold positions of power (Rossi & Tuurnas, 2019), and can hinder or enable behaviour and actions, thus shaping the possibilities for development (Vince, 2014). Therefore, it is vital to consider how managers utilise their power when knowledge creation and organisational development are intended. Instead of using or abusing positional and hierarchical power over employees, the importance of the embodied role, position and power of managers (i.e. the referent power or power with) needs emphasizing (Follett, 1941).

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# PUBLICATION III

## **Creating Innovative Public Services by Fostering Conflicts**

Paula Rossi, Pasi-Heikki Rannisto, Jari Stenvall

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## Abstract

This article presents a case study focused on the conflicting logics of multiple actors involved in planning, organizing and providing health and social services in an innovative way. The aim was to empirically approach the experiences of the actors coping with the complexity of the multiple, often contradictory logics, concluding with a theoretical approach on how the leadership could strengthen the development of innovative public services. Data consisted of documents, observations and interviews and was analyzed through a critical realism approach. The purpose of this qualitative case study was to increase the understanding of the leadership as a constraining and an enabling force when developing innovative public services in a networked environment. As a result, two conflicting institutional logics were found: the costs-based logic of the public administrators and politicians, and the service-based logic of the citizens and public service producers, and the needs to consider the service perspective, new hybrid practices and changing meanings given to cooperation in public sector leadership are covered.

## Keywords

Public service, leadership, conflict, development, practice, institutional logic, critical realism

## Introduction

Public services and their markets could potentially be renewed through interplay among actors with diverse logics from the public and private sectors, and the citizens.<sup>1</sup> And as an illustration of this need

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**Disclaimer:** This case is written for classroom discussion and is not intended to illustrate either effective or ineffective handling of an administrative situation or to represent successful or unsuccessful managerial decision-making or endorse the views of the management.

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for interplay, public service actors are constantly faced with demands to work together with multiple actors in order to develop innovative public services (Durose et al., 2013; Parrado et al., 2013).

Conflicts, although defined in literature as a cyclic processes of learning, are usually seen as something to be managed and avoided (Pehrman, 2011). Here we have adopted the less studied complexity perspective, and approach the conflicting situations as a processes in which public services have the potentiality to develop (Stacey, 2011; Wall & Callister, 1995).

The demands for developing innovative public services have also impacts on the practices and research of public sector leadership. It has been said that leadership emerging in micro-processes of everyday work needs to be studied more in-depth from a perspective of the practices, and by taking complexity into account (Blomgren & Waks, 2015; Carroll et al., 2008; Raelin, 2011; Stacey, 2011). In order to raise up to these needs, the theoretical background of this case study draws on the literature of institutional logics, institutional work and complexity.

This case study concentrated on the actors of the ‘Monipalvelupiste’ (later the service point) project in a Finnish city. The project was aimed at improving the cost efficiency and the processes of health and social services, with a view to develop a service network that meets future demographic, and services structures. In practice, the project mainly concentrated on the city’s own services related to health, social, library, youth and senior citizens.

The starting point of our case study was at the nature of the leadership as both constraining and enabling force, when fitting together conflicting institutional logics of actors. Empirically the experiences of project’s actors coping with the complexity of the multiple logics available were covered in a qualitative case study. We then concluded with a theoretical approach, by discussing how the leadership in public sector could foster the development of innovative public services. As a result, we argue that the needs to consider the service perspective, new hybrid practices, and changing meanings given to cooperation in public sector leadership are needed.

## **Objectives**

The study aimed to increase the understanding of the leadership as a constraining and an enabling force when planning, organizing and providing the public services in an innovative way in networked, complex situation. Developing the leadership in public sector in a way that fosters the development of innovative services can arise from revealing of the hidden mechanisms and the logics behind the practices at everyday work.

## **The Theoretical Background**

The basic assumption behind the theoretical background based on institutional logics, work and complexity is, that conflicts—here the divergent, conflicting institutional logics of the actors in the complex context—can be seen as a way to develop the public services. And innovations as new hybrid practices have the potentiality to form through the combining of the conflicting logics (Andrade, Plowman & Duchon, 2008; Smets & Jarzabkowski, 2013; Stacey, 2011).

Institutional logics are defined as ‘socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality’ (Thornton & Ocasio, 2008). The purpose of institutional research is to better understand individual and organizational



behaviour, and in this case study it is used to better understand the role of leadership in developing public health and social care services and their markets in an innovative way (Blomgren & Waks, 2015; Thornton & Ocasio, 2008). In summary, the logics affect the processes by which the individuals' actions are shaped (Blomgren & Waks, 2015; Reay & Hinings, 2009).

However, as complex as the world is, actions cannot be seen to be affected through only one logic, and multiple, often conflicting logics can be available for the actors at the same time (Blomgren & Waks, 2015; Greenwood et al., 2010; Thornton & Ocasio, 2008). This was seen in the 'Monipalvelupiste' project, where divergent logics of the citizens, public service producers and public sector managers in all levels of the organization made the reality of creating innovative health and social services more complex and difficult to manage. Therefore, the theorization of institutional logics, work and complexity done by Smets and Jarzabkowski (2013) was used in order to better understand the role of the leadership as constraining and enabling force of the development in these complex settings.

When aiming at developing the public services, we rely on the notions of Smets and Jarzabkowski (2013), who argue that the complexity of conflicting institutional logics available to the actors in and of itself does not promote transformation. The development of the actions and through that, the development of the public services, occurs, or does not occur, in the practices by which this complexity is confronted, and the actions taken are always aimed at coping with everyday work (Smets & Jarzabkowski, 2013). This led us to consider the everyday practices of actors involved in 'Monipalvelupiste' project as a platform through which the institutional effects occurred, and could be studied.

In conclusion, the conflicting institutional logics available and affecting the process of shaping individuals' actions and practices at everyday work, can both constrain and enable the development of public services. In order to foster the development, both the structures and the meanings given by the actors must be shaped and managed within these complex situations (Friedland & Alford, 1991; Smets & Jarzabkowski, 2013). What remains to be answered is how public sector leadership can foster this development.

## Research Methodology

The research process of this qualitative case study, following the critical realisms' guidelines described by O'Mahoney and Vincent (2014), Ackroyd and Karlsson (2014) and Smith and Elger (2014), was theory-driven, and the starting point relied on the understanding of institutional logics, complexity and work. After the literature review was conducted, we collected the first part of the empirical data, consisting of written documents including the Monipalvelupiste report, the city of Jyväskylä's strategy, and observations from four actors' meetings in Jyväskylä. Based on the guidelines received from the research process, the second part of the empirical data, seven half-structured interviews, was collected and analyzed.

The foundation of the research design of this study relied on the double specificity of the critical realism, and the ability of the case study to identify logics and mechanisms ('objective' world or the ontological dimension) behind the observed action (the epistemological dimension) in the complex context of developing innovative public health and social care services. In critical realism research, it is typical to 'identify, discover, uncover (and in more engaged, participatory research, test the limits of) structures, blocs, and (generically) *causes*, and the particular sequences combinations, and articulations of them at work in specific times and places' (Bhaskar, 2014, p. vii).

As the critical realisms approach suggests, observation as such does not reach the complexity of the world, and the events observed can potentially be influenced by multiple mechanisms (O'Mahoney & Vincent, 2014). This argument leads to the primacy of the ontology in the research process, referring to

the notion of the exploratory style of the empirical research—to fully understand the empirically observed events and mechanisms, we must look beyond them (Bhaskar, 2014; O'Mahoney & Vincent, 2014).

From the critical realism's perspective, a case study as a research design is relevant: when referring to social phenomena, occurring in specific times and places, it is essential to notice the importance of the context in which the mechanisms are studied. Social world events, like the multiple service points' creation process studied here, occur in open systems and are influenced by multiple, often contradictory mechanisms of the actors involved. This complexity, combined with the emergent nature of open systems, makes it impossible to detach even the already known mechanism behind the empirical events from the context it occurs (Bhaskar, 2014; O'Mahoney & Vincent, 2014).

Based on the understanding gained from the analysis of the data's written documents and observations, seven half-structured interviews were conducted by one of the authors in spring 2015. The purpose of the diverse data was to gain the possibility to look at the practical mechanisms and outcomes in the context of the present case, and to compare these to the planned mechanisms and their expected outcomes written in the strategies. Interviews were transcribed, coded, and analyzed using theory-driven content analysis (Tuomi & Sarajärvi, 2009).

## Diagnosis and Analysis

This section of the article focuses on the analysis of the case. First, the 'Monipalvelupiste' project is introduced, through analysis of the written documents. Second, the analysis of the interviews is conducted. As a result, the theory-driven categorization of needs for service perspective, new hybrid practices, and changing meanings given to cooperation in public sector leadership are covered.

## The Case

Based on the Finnish law, municipalities in Finland are responsible as organizers for public health and social care services (Kuntalaki 2§<sup>2</sup>; Laki sosiaali- ja terveydenhuollon suunnittelusta ja valtionavustuksesta 4§<sup>3</sup>). Due to the current economical struggles the public sector is facing, there is a growing need to find new ways, both within the organization and in collaboration with the non-governmental sector, of organizing and producing these services.

The case study concentrated on the actors of the 'Monipalvelupiste' project aimed at improving the cost efficiency and the processes of health and social services at the city of Jyväskylä. Located in the middle of Finland, Jyväskylä is a city with a population of approximately 136,000 citizens.

The city of Jyväskylä's 2013–2016 service policy and 2014 city budget outlined a commitment to consider forming new kinds of service points ('Monipalvelupiste') to its neighbourhoods, with a goal to achieve savings from the estate costs and service functions. These reports highlighted the need to develop the city's service network based on foreseeable changes in demography, population and service structures. The content and structure of services in these service points was left to be defined based on the existing services and special characteristics of the neighbourhood.

However, a blueprint was developed to combine services related to health, social, library, youth and senior citizens (Palvelulinjaukset, 2013–2016<sup>4</sup>; Selvitys monipalvelupisteistä<sup>5</sup>). It was also decided that the service points would be placed within the town's currently owned premises (Palvelulinjaukset, 2013–2016; see note 4). Because of the different process schedules and variation of the city's neighbourhoods, the main focus in this study was on multiple service point's creation process in Tikkakoski.

The purpose of the outlining made in the city of Jyväskylä's 2013–2016 service policy was defined more closely in the report concerning the plans of service points 'Selvitys monipalvelupisteistä'. This report was developed by a team of actors from diverse service sectors, and was led by the Estate Department of Jyväskylä city administration in October 2013–May 2014 (Palvelulinjaukset, 2013–2016 [see note 4]; Selvitys monipalvelupisteistä [see note 5]). Along with the need to develop the service network, the report concerning service points brought out the need for renewing the operation models, exploiting new technologies, and increasing the cooperation between personnel from different service sectors.

The multiple service points were thereby seen as a supporters for implementation of the new service models, aimed at improving the quality and cost efficiency of the services. From the citizens' point of view, easier availability of the services was considered to be beneficial when multiple services were centralized, and the need for the service points was also justified by the guarantee of the public services at the further regions of the city (Selvitys monipalvelupisteistä; see note 5).

## The Need for the Service Perspective

According to the analysis of the interviews, the actors involved in the service point's development process shared the view that a lack of service perspective throughout the whole process was evident. For example, this was seen in the way the process was justified from the estate arrangements' perspective, and in the way the decisions concerning the project were carried out. The service producers did not have an opportunity to participate in the decision making: '... the estate where we are going to work has been pointed at us, it mainly is so that we have not really been asked. ... you have a place to work there and that's it'. All interviewed actors also described the service points as a place where different, mainly city's own services, were gathered to the same estates.

From the service producers' point of view, the decisions made by the public organization's leaders concerning the process were slow, made completely from the estate perspective and reasoned with cost savings. The service producers felt that this slow pace of the decision-making process complicated things at the operational level, when in the atmosphere of uncertainty all they could do was wait. This led to a situation, where concrete decisions, and participation of the citizens could not be made because of the lack of knowledge and possible effects of the forthcoming service point's arrangements. When the decision finally came, the process was concluded in a relatively short amount of time.

And another thing (concerning the decision makers and politicians) is the really slow pace of the decision-making process, it would really have helped with lot of things at this grass roots level if we could have known a little sooner.

Although the cost savings, which were meant to be achieved through estate arrangements were understandable to the service producers and citizens, they criticized the way the savings were to be achieved, and the lack of service perspective in the process. They felt that the quality of the existing services should have been taken into account, as well as the need to renew and develop the services. Instead of discussing what other impacts the service point process could have had in addition to the cost savings, the services were merely brought together.

In Jyväskylä this service point process was started with the estates as a priority, which is a weird way, but they wanted to save from the estate costs, and thought that if these spaces were put together it would lead to savings. And only after the square meters were drawn they started to think what it is that is supposed to be done there.

As well as the basis of the process, the estate perspective was also the starting point of cooperation between the service producers: *I think that these estate arrangements have been the key that has brought us together.* Indeed, the joint use of the estates was seen as a connective factor both before and during the process studied. It was also mentioned that the service point process considered the estates in a sector-oriented way, and estate arrangements did not support new ways of cooperating with other service producers:

Cooperation has been done before for example with the Youth Services, and now it could be natural to re-develop this cooperation. With the Health Services it is not so natural but why not... There are many places in Finland today that for example child welfare clinic and library are pretty much at the same space. In this estate we are going to have, the spaces are organized in a sector oriented way, we have a certain space for certain service.

Affirming the cooperation between the service producers and the citizen representatives, the meaning of the city's Strategy and Development Department was pointed out. After the decisions concerning the starting of the process were made, the planning phase was conducted by a special designer from this department through joint actor meetings. These meetings, bringing the different service producers together, were considered as an essential way of working, and the service producers and the organizer felt that they had had a chance to get to know each other and to participate in a concrete way to develop the joint estates.

Really the role of the City Development Department as a cooperator and a coordinator has been here... from that high points must be given, it has been a great thing, and we all have been able to participate in that, and all the actors have had the chance to get together.

## The Need for the Hybrid Practices

Still, the common notion about these joint meetings was contradictory. Although the meetings were considered to be essential, the actors involved continued to raise the need to plan the actual joint services because new ways of working together were not brought into discussion:

I don't know what the obstacle is but we have yet not had... We have not succeed to conduct our meetings to the point where we would start to throw ideas together about what it is that I could give to you, and that the actors would ponder together...

The renewing of the operational processes, although mentioned in the report concerning the plans of the service points, was not brought into action. The primary focus of the joint meetings was to present individual services, and the concrete, sector divided needs towards the estates: 'At this moment every service provider has introduced their own service but we haven't yet get to the conversation of doing things together'.

However, there were aspirations of expanding and developing the cooperation. This was identified as a process in which new ways of working together and using the estates could be found:

Doing things together, and in new ways, there is now going to be[,] for example[,] child welfare clinic, social services, and health services, how these could together do things, and maybe develop a little lighter ways of working. And to get things done differently, really. [...] not just separately under the same roof.

These new ways of working together, and developing innovative services, would require a mutual agreement throughout the public sector. From the actors' perspective, the service point process lacked defined outcomes, and a clear strategic outlining of how, and why, to cooperate was not introduced. What was called after in all levels was the courage to approach new way of working and seeing things, together with the citizens:

When the citizens would be participated from the very beginning you could find these new ways of doing that nobody could have foreseen [...] but it takes courage, to really open up the conversation.

## The Need to Change the Meanings Given to Cooperation

The courage to approach new ways of cooperating with the actors involved was seen as the most essential issue to be developed in public sector leadership. This leads to the need of changing and expanding the meanings given to cooperation. While the notions of cooperation focused mainly on the cooperation between public service producers in a situation where the need was to redesign public services, it was clear that the concept of cooperation needs to be expanded in order to broaden the possibilities of creating innovative public services.

First, the citizens' ability to influence the process was criticized by all the actors: 'The lack here has been... I don't know how it could be done but it is a good challenge, to take the citizens to participate in planning at the early stages'. Despite of these notions, there were no attempts to involve either the citizens or the service producers in the decision phase of the service point process. The citizen participation focused on the citizens' evenings, arranged by the city of Jyväskylä after the decisions concerning the service points had already been made. Earlier citizens' participation and genuine developing of the services based on the citizens' needs were called after:

Citizens should have been participated earlier. But it is still little new to us, we are practicing this participation and... we still tend to do things ready and then we serve them to the customers or the citizens. We should have more courage in the early stages, this is what we are going to do and could we look together, how this could look like. It requires a new way of thinking from us.

However, it was noticed the dialogue between actors had strengthened along the way, showing the public sector's willingness to cooperate with the citizens: 'Along the way these municipal officials have realized that oh, the citizens aren't really restraining this [...] but they are partners, maybe a kind of a booster and actually people who want to collaborate'.

In fact, it was already clear that changes in the meanings given in both sides were developed through participation and joint events organized. The service producers had noticed that the attitudes of the citizens towards the process had changed from pessimistic to more optimistic when their knowledge on the upcoming services and changes increased.

And always when the information is conveyed (from representatives to the citizens), it reduces this when you do not know you will start to imagine things to be worse than they really are. On the other hand, this situation has turned into better direction, what it was first concerning the health services, for example, and it is a good thing.

Still, the public administrators continued to be the givers of the information, not the co-creators of the services, which could have had the potential for new ideas to emerge, based on the citizens' needs, and lessen the resistance towards the multiple service point process. As a summary, it can be said that the skills to cooperate with the citizens in practice were still to be learned.

Second, the estate arrangements were seen as a way to foster cooperation between public and private sectors, and fostering mainly concentrated on potentiality of the publicly owned estates' joint use. This lack of an extended strategic outlining of cooperation with the private sector was confirmed in the multiple service point report. The report highlighted that the use of the estates should be as efficient as possible, and this was to be achieved by reducing the room used by public services. The private sector service producers were then seen as potential users of the released room:

We might have empty rooms there, it would be reasonable to get private actors and organizations there [...] And in planning... in Tikkakoski there has been the representatives of the citizens with us but not so much the private organizations, we have not been able to participate them, and we haven't figured it out, how it could work.

No other possibilities concerning the process of developing the service points, or the development of public services were covered in the report. Although the public service producers could see the potential of working with the private sector, it was not considered as a potential cooperator from the public administration's point of view:

If there were to become a private, let's say for example physiotherapist to there, it would be healthy [...] but public organization still is so inflexible, that we don't see the benefits we could get also from the cost efficiency's point of view, when parts of our services are outsourced.

Also, there was said to be no workers, willingness, nor public sector practices to carry out this kind of cooperation outside the city's own services:

There is, yes, there [in cooperation with the private sector] could be multiple opportunities if we actively could keep it up. [...] there are clear gaps, where the companies could step in to work with us. But we don't have... nobody does that.

However, health services made an exception in cooperating with the private sector. Because the city of Jyväskylä had not been able to recruit doctors to the neighbourhood's health centre, the politicians were forced to identify new ways of delivering the public services, and the decision was made to outsource the health services to a private company.

In general, the service producers of the process approached also the possibility of developing the services and expanding the cooperation to include the private sector service producers, not strategically, but in an experimental way. It was said that by moving to the joint estate, and by learning to work together, new ways of producing the services could be found:

My experience says that it [cooperation with the private sector] develops in time. You can't really force it beforehand. That, at that point when we really have started the services and have learned to work together at the joint estate for like a year, that is when it starts.

From the citizens' view, the division of the responsibility to produce the services was not relevant:

If multiple services are brought together under the same roof, it doesn't all have to be only the city's own services like it now is.

The citizen representatives seemed to be the most open to cooperating with the private sector, and to point out the possibilities of this kind of change in practice

**Table 1.** The comparison of the conflicting institutional logics

	Costs-based Logic	Service-based Logic
<i>Logics position</i>	Strategic level public administrators, politicians	Operational level citizens, public service producers
<i>Project's aim</i>	Cost savings	Developing the services
<i>Tools to achieve the aim</i>	Estate arrangements	Partnership between actors
<i>Basis for project's planning</i>	Estate arrangements	Quality of the services
<i>Service development</i>	Left to happen	Priority
<i>Tools of services development</i>	Bringing service producers together	Forming new practices through co-operation between multiple actors
<i>Cooperation, service producers</i>	Sector-oriented joint use of the estates	Doing things differently together
<i>Cooperation, private sector</i>	Estate oriented, was not done with the companies (except for the health services, where there were no options)	Was seen as a way to renew the old ways of doing, ensuring the services to the citizens
<i>Cooperation, citizens</i>	City remained as a giver of the information	Citizens needs were seen as the basis for services, genuine partnership was called after
<i>Leadership</i>	Was conducted through costs-based logic	Was not supporting the service-based logic

**Source:** The analysis of the empirical data.

...because from the citizens' perspective it really does not matter, who produces which service or who is in charge, the main point is to get the service when you need it.

To conclude the results, two conflicting institutional logics were found: the costs-based logic of the public administrators and politicians, and the service-based logic of the citizens and public service producers. These are described below in Table 1. The needs for service perspective, new hybrid practices and changing meanings given to cooperation in order to develop innovative services in public sector's leadership arise from this complexity of the conflicting logics.

## Conclusions

The service point's creation process was studied empirically focusing on the experiences and practices of the networked actors coping with the complexity of the multiple, often contradictory logics in planning, organizing and producing innovative public services. The critical realism approach facilitated a response to the question on how leadership could strengthen the development of innovative public services by using the theoretical framework (Ackroyd & Karlsson, 2014; Bhaskar, 2014; O'Mahoney & Vincent, 2014).

The case study emphasized the research perspective of multiple institutional logics, the relations between the logics, and the possibilities for transformation offered through these relations (Blomgren & Waks, 2015; Greenwood et al., 2010; Thornton & Ocasio, 2008). Based on the analysis of the case, two distinct institutional logics were found. The first occurred at the strategic level and concerns the costs-based estate arrangement logic of the politicians and public administrators. It was found to be in conflict with the second, more service-based logic of the service producers and citizens at the operational level.

Public sector managers and politicians have not been widely considered as actors of institutional work in previous research. However, their position gives them the potential to be constrainers or

enablers in the transformation of the practices, and the institutional logics behind them (Lawrence, Leca & Zilber, 2013; Smets & Jarzabkowski, 2013). It seemed that the service producers' perspective was more in line with the logic of the citizens, but their ability to change their practices in a way that supports the citizens' needs was restricted by the logic of their own organization (Lawrence et al., 2013). As the current practices showed, the leadership at the strategic level seemed to be conducted through the logic of the organization, and it was consistent with the outlining and strategic choices made. Although there were some openings towards the service-oriented logic, the combining between practices and desired outcomes remained undefined.

The combining of the logics of the public service producers progressed in the joint meetings, and was described by the actors as 'getting to know each other' and 'finding a mutual language'. The results of this 'combining' was visible at the citizens' meeting held in April 2015, where the actors seemed to be consistent when answering questions raised by the citizens of the Tikkakoski neighbourhood. Also, the logics of the citizens and service producers had found a way to get closer to each other. However, the dominant logic of the public organization remained contradictory (Smets & Jarzabkowski, 2013). The question here is, is it really possible to create new ways of doing, when the leadership, approached from the dominant logic's perspective, does not foster the development?

It can be said, based on the relational model of institutional work and complexity developed by Smets and Jarzabkowski (2013) that the process of creating the service point to Tikkakoski was not at a stage where the relation between the conflicting logics could have been constructing from contradictory to compatible. However, the contradictory practices became more difficult to maintain when the logics are constantly required to collaborate. Through this collaboration, the conflicting logics have the potential to integrate and result in the emergence of new practices of work. These hybrid practices combine features from the previously conflicting logics, and can be seen as innovative ways to produce public services (Smets & Jarzabkowski, 2013).

The institutional logics' reconstruction towards compatibility can occur when the current practices are no longer sufficient enough to cope with the work tasks. Based on the analysis done, the current economic situation in the public sector can be seen as a crisis which has triggered the need to renew the public services throughout the public organizations. The need and the decision to outsource the health services at Tikkakoski can be seen as an example of a situation, where new ways of producing the public services had to be found. Smets and Jarzabkowski (2013) describe this situation as a work-level crisis, through which the new hybrid practices can emerge from the ways the complexity of the conflicting institutional logics are being responded to.

However, as long as the dominant institutional logic of the organization remains contradictory, and guides the practices made by the actors in practice through leadership, the emergence of the new practices remains unlikely. In general, the Jyväskylä case revealed that the leadership was not in a situation to actively approach the multiple conflicting logics in order to achieve new ways of organizing and producing public services.

This creates the need to expand meanings given to cooperation to include service producers, citizens and private sector's views at the strategic and operational levels of the public service. By doing this, the contradictory logics can conflict, and through these conflicts, innovative services as new hybrid practices have the potentiality to emerge.

It is argued that in public sector leadership creating opportunities, such as organizing the joint actor meetings or the estates for the multiple service points, can be seen as a structural change. But, as the institutional logics' main principles point out, the institutional transformation only occurs when both the structures and the meanings given are changed (Friedland & Alford, 1991; Thornton & Ocasio,



2008). This change in meanings should be actively approached by expanding the concept of cooperation throughout the public organization.

In conclusion, the fostering of the complexity of the conflicting logics in public services' leadership is essential when aiming to develop innovative public services and their markets. The situation where current practices no longer work can be achieved from this complexity, and by actors coping with the complex situation the new hybrid practices can emerge.

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## Notes

1. This article is the revised and extended version of the paper, titled 'Coping with Contradictory Logics in Creating Innovative Public Service Markets—Case Jyväskylä' presented and published at International Conference on Management Cases 2015(ICMC2015), held at Birla Institute of Management Technology, Greater Noida, India, on 3–4 December 2015.
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# PUBLICATION IV

**Conflicts fostering understanding of value cocreation and service systems  
transformation in complex public service systems**

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## **Conflicts fostering understanding of value co-creation and service systems transformation in complex public service systems**

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# **Conflicts fostering understanding of value co-creation and service systems transformation in complex public service systems**

Deriving from approaches of PSL, service ecosystems, complexity and conflicts, this article proposes a framework of complex public service systems for understanding public service management. As drivers of service systems transformation, conflicts foster understanding of value co-creation, its underlying challenges, and service systems transformation. In the empirical study of youth service development initiative, the organizational actors' conflicts in understanding the service users' needs, value, the roles of actors, and the service system transformation were identified. In conclusion, the conflicting institutional arrangements in multi-actor, complex, and overlapping service systems' settings both maintain and disrupt the value co-creation and service systems.

Keywords: conflict; value co-creation; public service systems; service ecosystem; public management; complexity-informed research

## **Introduction**

Public organizations from governments to municipalities and PSOs are facing complex, unstructured, ambiguous and uncertain challenges evoked by our increasingly complex societies. Solutions to these challenges are often sought by service system reforms and service development initiatives. Rightfully, these initiatives often locate the co-creation of value to the lives of citizens and service users at the heart of service management (Osborne et al. 2015; Trischler and Charles 2019).

Especially in the social and health care sectors, service users struggle with wide variety of problems from physical and mental health issues to poverty and social problems. Attempts to meet the needs of the service users inevitably involve multiple actors and intersect sectoral, organizational and systems' boundaries. Consequently, in ever changing multi-actor, multi-level settings, a service systems' approach is required (Eriksson et al. 2019; Lee and Lee 2018; Waardenburg et al. 2019).

Even though the objectives of the reforms and development initiatives are often jointly accepted, the institutional arrangements underlying the action, decisions and behaviour of organizational actors vary (Skålen, Aal, and Edvardsson 2015; Vargo, Wieland, and Akaka 2015). These contradictory institutional arrangements give rise to conflicting understanding about what value is and how it should be created (Vargo, Wieland, and Akaka 2015).

In this article, we suggest that conflicts act as ‘a key driver of the transformation of service system’ (Skålen, Aal, and Edvardsson 2015, 250), and should therefore be studied in all their richness. Our the aim is to unravel the process of value co-creation in service systems by *identifying conflicts between organizational actors* and by asking *how these conflicts affect the processes of value co-creation and service system transformation*. With a focus on complexity and conflicts, we expect to provide insights about the transformation of service systems and the hurdles of value co-creation (Echeverri and Skålen 2011; Osborne et al. 2015; Skålen, Aal, and Edvardsson 2015; Stacey 2011; Stacey and Griffin 2005).

Focusing on multi-actor settings in public service systems, scholars have recently undertaken research on Public Service Logic (PSL) by utilizing, for example, the perspectives of social context (Eriksson 2019) and collaborative governance (Eriksson et al. 2019). Also a service ecosystem perspective, deriving from service-dominant logic (Vargo, Wieland, and Akaka 2015; Vargo and Lusch 2016) has gained attention (Trischler and Charles 2019). The service ecosystem perspective foregrounds the complex and dynamic transformation of overlapping, multi-actor service systems in value co-creation (Skålen, Aal, and Edvardsson 2015; Vargo and Lusch 2016).

Especially in the public sector, complexity-informed research is often called for but scarcely utilized in practice (Greenhalgh and Papoutsis 2018), and increasing

demand have been raised for complexity-informed empirical research. Complexity-informed perspective recognizes the uncertainty, paradoxes, and complexities of everyday organizational life; focuses in evolutionary change, real-life dynamics, and challenges; and simultaneously addresses multiple levels of scale (Castelnovo and Sorrentino 2018; Eppel and Rhodes 2018; Haynes 2018; Vargo and Lusch 2016; Waardenburg et al. 2019).

Empirically, we conducted a qualitative case study examining a youth services development initiative in a Finnish city, Turku. Embedded in social and healthcare service systems, youth services accurately illustrate the complex context in which the conventional approaches of new public management (NPM) to public service delivery (Osborne et al. 2015; Virtanen and Kaivo-oja 2015) may fail to address the complex problems of youth (see, e.g., Tuurnas et al. 2015).

Theoretically, grounded in PSL, this article contributes by widening the scope of value co-creation from a systems' perspective in three ways. First, we contribute by exploring the service ecosystem approach as a more realistic lens for understanding value co-creation and the central role of institutionalization in it (Vargo and Lusch 2016; Vargo, Wieland, and Akaka 2015; Vink et al. 2019). Second, we consider the complexity-informed approach to foster a holistic and dynamic understanding of value co-creation and, particularly, how micro-level interactions enhance macro-level system structures and patterns (Eppel and Rhodes 2018; Castelnovo and Sorrentino 2018; Haynes 2018). Third, we contribute by understanding conflicts as drivers of service system transformation (Skålen, Aal, and Edvardsson 2015). As a synthesis of these ideas, we propose a framework of complex public service systems.



## **Value co-creation within complex public service systems**

### *Value co-creation in public service logic*

The creation of value as a desired outcome of service processes is currently one of the key doctrines of public management theory, following the ideas of PSL (Grönroos 2007; Grönroos and Voima 2011; Osborne, Radnor, and Strokosch 2016). PSL focuses on managing the value co-creation in a manner that fosters effective public service design and delivery (Hardyman, Daunt, and Kitchener 2015; Osborne et al. 2014, 2015; Osborne, Radnor, and Strokosch 2016; Osborne and Strokosch 2013; Radnor et al. 2014). In order to meet the needs and societal problems of the service users (Trischler and Charles 2019), PSL shifts attention from the service organization's internal efficiency to the external value co-creation as 'adding of value to the lives of citizens and service users' (Osborne et al. 2015, 426).

Many aspects affecting the value co-creation process from the service user's perspective have been identified in previous research. For example, these include organizational structures and sufficient infrastructure (Voorberg et al. 2014), [open] organizational culture (Verschuere et al. 2012), service providers' sufficient skills concerning the utilization of user knowledge in value co-creation (Steen and Tuurnas 2018), (inter-) organizational dynamics (Tuurnas et al. 2015), social systems (Skålen, Aal, and Edvardsson 2015), and institutionalization (Vargo, Wieland and Akaka 2015).

Evidently, multiple organizational actors play an essential role in enabling or hindering the possibilities for value co-creation with service users. As previous research shows, organizational actors—from mid-managers to street-level workers—affect the manner in which policies are implemented (cf. Buchanan et al. 2007; Lipsky 1980; Tuurnas et al. 2015; Tuurnas 2016). Particularly in the public sector, value co-creation

often occurs independently from the service provider (McColl-Kennedy et al. 2012; Trischler and Charles 2019).

In the service systems approach, value co-creation is situated beyond the customer-frontline worker dyadic relationship within a service system. A *service system* is a ‘dynamic configuration of actors and resources that enable value cocreation through the integration and use of resources, benefitting actors within and across linked service systems’ (Skålen, Aal, and Edvardsson 2015, 251). The service system includes various stakeholders—from public service organizations (PSOs) to private organizations, local communities, service users, citizens, nongovernmental organizations, and even technologies (Osborne, Radnor, and Strokosch 2016; Radnor et al. 2014; Trischler and Charles 2019).

### ***The service ecosystem approach to value co-creation***

Widening the scope of service systems, the *service ecosystems* approach recognizes that multiple actors co-create value in dynamic and overlapping service systems, which are governed and evaluated through institutional arrangements (Vargo and Lusch 2016). Institutional arrangements not only enable but also constrain value co-creation (Vargo and Lusch 2016; Vargo, Wieland, and Akaka 2015), by creating ‘*conflicting* views of value and how value is derived’ (Vargo, Wieland, and Akaka 2015, 68, emphasis added).

The service ecosystem approach offers a holistic and systemic way for understanding value co-creation by bringing to the fore the institutional arrangements and the complex transformational nature of service systems. The transformation is happening through *institutionalization* where actors disrupt, maintain, and create institutional arrangements. Service ecosystems respond to changes that take place also

in other systems, thereby influencing transformation in one another. (Trischler and Charles 2019; Vargo, Wieland, and Akaka 2015; Vink et al. 2019.).

*A complexity-informed approach fostering understanding of public service systems*

According to the service theory, the focus for public service development and management must be on an open service system replete with complex interactions rather than organizations or even interorganizational networks (Gummesson, Lusch, and Vargo 2010; Radnor et al. 2014; Trischler and Scott 2016). As Radnor et al. (2014, 406) argue, ‘addressing the complexity of this iterative and interactive system is at the core of effective services management’.

Utilizing a complexity-informed approach implies placing the context-specific, socially constructed behaviour of actors as well as their interaction (Castelnovo and Sorrentino 2018) at the core of public policy implementation, public management and their research. What becomes essential is to acknowledge in complexity-informed approach are various actors and their role and impact in co-creating value within service systems in a specific context. Consequently, the social forces and structures, which enable and hinder interaction among these multi-actor service systems, must be addressed in order to unravel and understand the processes of value co-creation (Eriksson et al. 2019; Akaka, Vargo, and Lusch 2013).

What is inherent in the complexity-informed approach is that attempts to co-create value in open, dynamic and overlapping service systems (Trischler and Scott 2016) does not necessarily lead to positive outcomes. Instead, the co-creation of value for one can result in the co-destruction of value for another. For example, Plé and Chumpitaz Cáceres (2010), in addressing the risks of value co-destruction, note that value destruction can occur in interactions among different service systems. And, as Wu

(2017) suggests, value co-creation might lead to increased dissatisfaction from both provider and client perspectives.

### ***Conflicts of institutional arrangements in value co-creation***

To understand and reveal the potentially contradictory outcomes and institutional arrangements influencing value co-creation processes, we propose that the conflicts become an important subject of study. Conflicts of institutionalized aims, values, beliefs and practices affect the behaviour and decision-making of actors within service systems and must therefore be foregrounded. (Skålen, Aal, and Edvardsson 2015; Vargo, Wieland, and Akaka 2015.)

We define conflict as *an individual's experience and understanding of a given situation or phenomena which is different from that of others involved* (cf. Mowles 2015; Rossi 2019; Stacey 2011; Stacey and Griffin 2005). Conflicts of aims, values, beliefs, and practices of simultaneously existing, contradictory logics have also been addressed in the literature on institutions (cf. Blomgren and Waks 2015; Greenwood et al. 2010).

Conflicts are a consequence of the fundamental diversity of humans: people have different—even contradictory—values, beliefs, attitudes, and practices which they bring to their interactions (Eriksson et al. 2019; Mowles 2015; Stacey 2011). Consequently, conflicts are a fundamental part of everyday organizational life (Kolb and Putnam 1992; Pondy 1989; Stacey 2011) and the complex social systems, in which service systems are embedded (Eriksson et al. 2019).

Previous literature divides the various classifications of conflicts in organizational contexts into four main levels: intergroup, intragroup, interpersonal, and intrapersonal (Lewecki et al. 2011). Furthermore, conflicts have been classified, for example, into tasks or relationships (De Dreu and Weingart 2003; Jehn 1997; Pinkley

and Northcraft 1994; Reid et al.2004; Sessa 1996; Van de Vliert et al. 1999; Wall and Nolan 1986); cognitive or affective (Amason et al.1995); content, relational, or situational (Katz Jameson, 1999); and affective, cognitive, and process types (Speakman and Ryals 2010). Amongst other typologies, emotional (Bradford et al. 2004) and goal conflicts (Tellefsen and Eyuboglu 2002) have been studied.

Instead of typologies or levels, our definition draws attention to the *experience of conflict*. Conflicts emerge on multiple levels, for example, among collaborating individuals, actors, or organizations. Notably, regardless of the level of conflict, they are always experienced by individuals (Rossi 2019). We argue that conflicts in complex multi-actor service systems cannot be understood solely as generative or destructive, cognitive or affective, or as a task or a relationship clash but as an experience that moves between these extremes: the destructive results of conflicts can become generative as people make sense of their experiences.

Empirically, the definition of conflicts implies, for example, an imbalance among the values and practices of different actors attempting to foster processes of value co-creation. Thus, the understanding of what value is being co-created and how it should be perceived can vary (Vargo, Wieland, and Akaka 2015). Related to the discussion on public values, there is an acknowledged need for public service providers to balance between different values of, for example, legality, efficiency, and effectiveness, causing value conflicts (Jaspers and Steen 2018, see also Haynes 2018; Molina 2015). Aligned with the notions of Vargo, Wieland, and Akaka (2015), Jaspers and Steen (2018, 2) suggest that it is both important to reveal the conflicts being experienced and to further understand how actors deal with these conflicts.

This article highlights how public service systems' transformation (e.g., renewed, effective, and efficient public service delivery and service systems) occurs in

interaction with service systems (Skålen, Aal, and Edvardsson 2015; Vargo and Lusch 2016; Vargo, Wieland, and Akaka 2015). However, the transformation does not happen by concentrating on cooperation and setting differences aside but by negotiating differences with others (Mowles 2011; Stacey 2011). Instead of focusing exclusively on cooperation in value co-creation processes and public service system development initiatives, both cooperation and conflicts require exploration.

***Moving forward: value co-creation within complex public service systems***

In order to contribute to the literature of public service management, we derive from research on PSL, service ecosystems, complexity-informed approach and conflicts. As a synthesis of these ideas, we propose a framework of *complex public service systems*. Following the theorizations of Osborne et al. (2015), Haynes (2018), Trischler and Charles (2019), Trischler and Scott (2016), and Vargo and Lusch (2016), in complex public service systems value is always co-created:

- (1) in specific contexts;
- (2) often in complex ways;
- (3) placing the needs of service users at the centre of all activities;
- (4) by individuals at different levels and networks interacting with often conflicting institutionalized aims, values, beliefs and practices;
- (5) within a multi-actor setting where power is unequally distributed;
- (6) in overlapping complex service systems that cross organizational as well as system boundaries.

From a complex public service systems' perspective, conflicts of institutional arrangements become essential in understanding of value co-creation (Vargo and Lusch 2016). Even though institutionalization is seen as involving 'co-creational processes in

which actors try to resolve the nested contradictions and inconsistencies that are foundational to all institutional arrangements' (Vargo, Wieland, and Akaka 2015, 71), the question of *how* actors deal with, or resolve these contradictions requires deeper exploration.

Empirically, we unravel the process of value co-creation in complex public service systems by *identifying conflicts between organizational actors* and by discussing, *how these conflicts affect the processes of value co-creation and service system transformation*. Deriving from the complexity-informed approach, we employ a single case study (Greenhalgh and Papoutsi 2018). This enables us to highlight the importance of the context-specific, social behaviour and interaction of actors as the core of effective public service management (Castelnuovo and Sorrentino 2018; Radnor et al. 2014), rather than drawing systematic comparisons which would be beyond the scope of this research.

### **The context of the empirical study: Youth service, Vamos Turku**

Currently, Finnish municipalities are mainly responsible for organizing social and healthcare services. In the city of Turku, the strategic goal is to foster the unity of its youth services. One main reason for this development was the cost structure of the welfare division, particularly of child welfare services. Child welfare in Turku focused on residential care activities, which created unsustainable cost pressures. The city aimed to shift the balance of the services towards preventive work. A service producer external to the city's own organization was considered more resilient and thus more capable of bringing new working methods to the youth services system with the aim of contributing to the well-being of the youth. Overall, the city wanted to purchase an efficient and effective service that could meet its citizens' needs.

Vamos Turku (hereafter, Vamos) is a service provided by the charitable foundation Helsinki Deaconess Institute. Vamos aims to provide effective social welfare services, with youth at risk of social exclusion as its target group. A preventive work method and the engagement of service users are emphasized in its day-to-day work. Vamos offers individual and group coaching as well as service coordination for 12 to 19-year-olds. From the city's perspective, Vamos' primary task is to offer social assistance based on the Social Welfare Act (1301/2014) along with group coaching and individual support.

When a need for such a service was identified in Turku amongst frontline workers and civil servants, the political decision-making process aimed at purchasing Vamos' services was exceptionally fast. Four main reasons explain this expedited process. First, the city was accustomed to working in a networked environment with actors outside its own service organization. Second, the city had key actors who initiated and continued the process of purchasing Vamos' services. Third, the cost structure of the city's child welfare services required transformation. Fourth, the city was able to collaborate with an external funding organization, making the service purchase possible. This case study concentrates on that phase of the service development initiative where purchasing decisions were made, contracts were drawn up between Vamos and the city, and Vamos had just begun operating.

### **Materials and methods**

By studying the experiences of actors involved in youth service development initiative we aimed to increase both empirical and theoretical understanding how conflicts affect the processes of value co-creation and service system transformation. The data were selected via purposive sampling (Jupp 2006) and the key actors of the service development initiative were considered sufficiently competent to provide relevant



knowledge about the research question (Table 1). Overall, 13 people were interviewed.

[Table 1 near here]

Vamos' frontline workers are well presented in the data. This is due to their central role in balancing the needs of the youth and the institutional arrangements at play as 'public servants with one foot in the known bureaucratic way of working and one foot in the still novel networked governance' (Waardenburg et al. 2019, 18). Frontline workers have a close relationship with the youth and, therefore, they have the possibility to understand the service users' perspective in value co-creation processes (Eriksson 2019).

The case study of a service development initiative focused on organizational dynamics, actors and interaction (Skålen, Aal, and Edvardsson 2015; Tuurnas et al. 2015) through the conflicts of institutional arrangements (Vargo, Wieland and Akaka 2015). As acknowledged in research concerning value tensions (Jaspers and Steen 2018), each actor group, depending on their role experience different conflicts. We were interested in organizational actors' experiences: what conflicts they experienced in the processes of value co-creation and service development initiative, and on what premises they negotiated the value propositions with service users (Eriksson 2019).

Consequently, we did not concentrate on understanding the service users' experiences. For these reasons, youth was not interviewed for this study.

In interviews, the respondents were asked about theirs' and others' aims, practices, values and beliefs that they experienced while cooperating with other organizational actors during the service development initiative (Table 2).

[Table 2 near here]

All interviews were subsequently fully transcribed afterwards. Based on the qualitative theory-guided content analysis (cf. Gläser and Laudel 2013; Krippendorff 2013), the

analytical strategy was aimed to systematically describe the meaning of the qualitative data. When analysing written data, a bottom-up coding scheme was formed, comprising third-, second-, and first-level categories (Figure 1).

[Figure 1 near here]

As Figure 1 illustrates, the first step in the analytical process entailed finding relevant, meaningful passages from the transcribed data, which were paraphrased in the second step. The third step involved forming third-level categories by summarizing similar paraphrases. In this process, the theory-guided content analysis evolved from the data-driven analysis to maintain the informants' original experiences without interpretation (Table 3).

[Table 3 near here]

After the formation of the third-level categories, the analysis advanced to the fourth step: the generation of second-level categories. The fifth and final step dealt with structuring the first-level categories. At this point, the theories selected to explain the phenomena played an important role, and the process progressed from a data-driven to a theory-driven analysis (Table 4). As typical of qualitative research, these analytical steps comprised an iterative process.

[Table 4 near here]

This case study revealed conflicts in public service delivery and the public service system development initiative. Yet it is essential to notice that the case study approach has certain limitations; case studies are always contextualized in settings that may have a significant effect on the results. This research cannot offer general determinants or generalizations. Rather, the aim is to gain an in-depth understanding of the studied phenomenon and learn from it, contributing to the development of theory through this

process (Flyvbjerg 2006).

## **Findings**

Following the notions of Vargo, Wieland, and Akaka (2015), Jaspers and Steen (2018), as well as Skålen, Aal and Edvardsson (2015), we present the findings in order to reveal the conflicts in the attempts to co-create value and eventually to discuss how conflicts affected the processes of value co-creation and service systems' transformation.

### ***Conflicts in understanding the needs of the youth: How to decide for whom the value should be co-created?***

From the city's perspective, the question of Vamos' target group— the youth in need— became an issue of defining the term 'preventive work', which this service was assigned to implement in relation to the needs of the youth.

It is not a light service. I mean, in a way that from our perspective, it is not a youth club. It is particularly when you already need help. And that is, of course, a challenge for Vamos' functioning, how it finds the target group that it can operate with on a level where it has the possibility to operate. We don't just fool around with that because those who can do well just having the opportunity to meet a school nurse or talk to a curator don't need Vamos (City official).

However, this definition of preventive work revealed tensions within the city's child welfare sector. Previously, when the contracts between the city and Vamos were signed, the latter was assigned to do both preventive work and to work with youth who were clients of the child welfare services. This soon became a resource allocation issue. Eventually, after discussions, they all expressed the concern that Vamos would lack the resources needed for this task.

Because easily, they would redirect tens of youngsters to us, and then we would have our numbers filled. And our service would only be for those kids who are

already connected to child welfare, who should be able to [receive the service from child welfare]. (Service manager).

It was decided that Vamos would not work with youth who were previously referred to the child welfare sector and that child welfare must provide sufficient help with its own service resources for its target group. These decisions appeared to be based on numerical indicators and resources, for example, the number of children needing help, the goals for client numbers and frontline workers, budget, and time.

The decisions regarding the target group were also rationalized by the Vamos service actors' reliance on its operational logic: 'Well, here, we are not workers of the child welfare sector, and that's it. If there is a need for child welfare services, then [the youth in need] are not our clients' (service manager). However, these decisions were questioned by other actors. For example, a frontline worker in the healthcare sector stated that the client-oriented work method was exactly what numerous clients of the child welfare sector needed: 'I think that there is a need for this kind of service, especially for those who have bigger problems'. The decision to exclude certain youth who were actually in need of Vamos' services was viewed as a consequence of a structural problem in the city's service system that would not allow the actors to consider the youth's needs as the basis for the decisions but prompted them to act on whether they were already clients of existing service sectors.

A frontline worker in the health care also emphasized that the child welfare service's operational logic did not satisfactorily meet its clients' needs:

I disagree [...] that the clients of the child welfare services should be left out of these [services] because [...] now [...] they have justified it with child welfare having resources, for example, to organize intensive family work. But what we, here in [our] daily lives, come across is, for example, quite often, we hear that social workers go to the homes of the youth and talk with the mom and the kid.

And then the kid tells us, ‘I don’t want to meet that woman anymore’. So that support is not sufficient, from our perspective (Frontline worker).

This incompatibility highlighted the need to reconsider the decision pertaining to the target group and to allow the youth in need of help to enlist on the services provided by Vamos. The incompatibility could be a starting point to consider the work methods of the child welfare services to act on a need-based approach ‘so that the needs are the basis, and how you deal with those needs is really based on the world of the youngster and not that a Mrs comes and says how things should be’ (Frontline worker, Vamos).

To conclude, conflicts arose in relation to identifying the youth Vamos should work with. The actors in both social service and healthcare sectors recognized that the youth most in need of help—those in danger of being socially excluded—were excluded from the Vamos service. For example, a frontline worker from the health care services said, ‘It is not for them who need it the most at this moment, that is, the ones who are in danger of becoming marginalized. They have been excluded, and they are the ones whom we are really concerned with’.

Despite these notions, the decisions regarding the target group were based on the sector-oriented structures and institutional arrangements of the city and not the youth’s needs. The sector-oriented approach of the city’s service system and, particularly, the child welfare sector’s institutional arrangements seemed to have outweighed the youth’s needs.

***Conflicts in understanding value: What is value, from whose perspective and how it can be measured?***

All actors did agree that evaluating and measuring the service’s effectiveness—particularly its long-term impacts—was an important yet difficult and complex issue.

What was evident for the Vamos was the aim of evaluating their success by measuring

the effects of the service, that is, the value created in the form of improved well-being of the youth. However, Vamos' frontline workers doubted the possibilities of measuring, evaluating, and documenting subjective experiences as the basis for evaluating the service's effectiveness. Indeed, succeeding in their everyday work implied achieving the goals discussed with each youngster and his/her family and, most importantly, the person's subjective experience of benefiting from the service. 'I don't know what else [...] would mean anything, from my point of view' (Frontline worker, Vamos).

In contrast to Vamos' perspective on understanding value as improved well-being of the youth, the city's measurements mainly concentrated on following up on service volume as costs incurred and the number of service users. Predictably, this evaluation based on numerical information soon became problematic: '[...] you can't just look at the amounts; the quality also needs to be considered' (Frontline worker, city). By decreasing the number of clients in the child welfare sector, the balance of the cost structure could shift to the lighter, preventive services and, thus, cost savings could be achieved. The city officials also highlighted Vamos' effectiveness related to outcomes in the school system and the child welfare sector—the number of school dropouts, youngsters graduating after almost dropping out, and children ending up in child welfare services were viewed as possible measurements.

The actors for both Vamos and the city gave assurances that the city allowed Vamos the freedom to operate and the time to find ways of helping the youth. Nonetheless, all discussions on measurement and effectiveness tended to revolve around the city's concern with regard to the slow adjustment towards a more favourable client-to-worker ratio: 'It is, at least, I think that if you count the money, then 60 young persons and 6 workers, it is really expensive; you can't run it like that, obviously' (City

official). When the client numbers were increasing, the trend was acceptable. ‘Well, now, the amount is clearly greater. Yesterday, we talked about 85, and a couple of months have passed; from there, you can see now that it is going in the right direction’ (City official).

Evaluating Vamos’ success based on the numerical measures of client numbers was obviously difficult because these numbers did not correlate with the quality and effectiveness of the service. The city appeared to equate effectiveness with efficiency, and difficulties arose when attempting to evaluate both with the same, mainly numerical, measurements of cost reduction and increase in client numbers. Understanding value in terms of the improved well-being of the youth could nevertheless actually imply higher costs.

[H]e contacted us and is now in [a] mental hospital. If he hadn’t, he would have killed himself, or that is how we think of it. Then, he wouldn’t have incurred more costs. He incurs a lot more costs now, in the mental hospital, but from the humane perspective, [it is much more effective] (City official, youth services).

At this conflict category, we draw attention to the understanding of value in the co-creation process. Overall, the relationship between cause and effect in terms of service effectiveness, cost structure development, and public service system efficiency was questioned by the actors. Evaluation was perceived as controversial and difficult, yet as one of the most important tasks to tackle. Nonetheless, the actors’ understanding of value and evaluation of effectiveness was conflicted. This conflict could be identified as one between Vamos and the city’s operational logic. Along with defining with and for whom value was created, evaluating and measuring effectiveness became one of the core practices with regard to which the actors held differing opinions.

Value was understood differently depending on the evaluator’s institutional arrangements. The conflicts revealed two distinct ways to approach the value-creation

process outcomes. First, value was viewed as contributing to external effectiveness by improving the youth's well-being. Second, value was perceived to be gained by developing internal efficiency by balancing workforce resources and the number of clients in a cost-efficient manner.

***Conflicts in understanding the roles of multiple actors: How to co-create value in a multi-actor service system?***

From the perspective of the city, Vamos was indeed purchased to fill a recognized gap—the lack of service for a particular youth group—and to supplement the existing service networks: public (school system, police, social services, health care services, etc.), private, and third-sector organizations working with the youth. Overall, the actors agreed that supporting the integration process was essential in meeting the youth's needs and achieving the stated goals. Vamos was assigned to develop a youth service, together with other PSOs and the city's own services in different sectors, that would be integrated into a holistic entity: 'We try to come up with this as a smooth an entity as possible [...]. Well, for kids, it really doesn't matter who delivers the service' (City official).

Even though Vamos was mainly accepted and the requirement for its need-based approach was recognized, the integration process was not without difficulties; moreover, interpretations of the relevance of the service varied. The city official also expressed resistance to Vamos: 'It is not jealousy, either, but there are these feelings that someone's toes are stepped on [...]'.

In particular, the actors of the youth service sector, established as the city's own service, had conflicting interpretations of the need for Vamos' service. The actors felt excluded from the decision-making process and strongly emphasized that their work was rather similar to the service that Vamos was about to offer. The integration process



appeared to challenge the professional identities of the actors of the city's youth services. Consequently, there was no collaboration between these two youth service providers.

This resistance to Vamos was criticized from the perspectives of the city and other service actors that considered Vamos' way of working beneficial for the youth and the overall service system.

I think that the thought is completely silly, to even think of overlapping services. Because there are so many youngsters, there won't be any problems about not having clients. So, the thought of stepping on someone's toes, that must be wiped out of this city; we have too much of it. I think we should bear in mind that we have these kids together, and we should be responsible for them together (City official).

The school was among the most important entities that Vamos needed to work in collaboration with. The collaboration and integration of the service was considered difficult for two main reasons. First, schools are institutions with numerous professionals accustomed to working with youth in a certain manner. Second, collaboration implied working with a target group of school dropouts and, from the perspective of Vamos, this collaboration should have occurred during office hours; whereas, from the school's perspective, the at-risk youth should have been in school.

From the perspective of the city, emphasis was placed on Vamos being flexible and effective in directing its operations to meet the youth's needs. However, Vamos' operational logic was not meeting these expectations. For example, no work was carried out in the evenings, during the youth's leisure hours.

It feels like, okay, are they hearing us who are actually working with these kids, in practice [...]. It is precisely what the kids need, something to do with their free time, something else than hanging around at the mall (Frontline worker, city).

Apart from the conflicting understanding regarding the work hours, group work also became an important issue in which Vamos' operational logic clashed with the other actors' expectations.

We arranged it, that she could participate in Vamos' services, but they put her in this group, which was a total catastrophe [...]. I had high hopes that now we were getting there and would have someone to work with her, and then, she was placed in this group [...]. I thought that this couldn't be true, that we would have had the 'last chance' with her, so why? (Frontline worker, city)

Further, this third category of conflict identified emerged in the integration process of the Vamos service as part of the city's existing service system. In these processes, conflicts arose because different actors had varying understandings of Vamos' role, its place within the service system, how its operational logic met the youth's needs, and expectations from the service. According to the analysis, these conflicts revealed value co-creation as attempts made not only by one service organization but also those within networks of collaborating PSOs. What became evident was the two-way change in interaction: The objective of Vamos was to change the service system, but what was left unnoticed was that other actors were simultaneously changing Vamos' operational logic.

***Conflicts in understanding the transformation of service systems: How to co-create value within a complex public service system?***

As a strategical decision, the city recognized the requirement for the development of a service system. According to a city official '[...] overall, this service system should be developed to operate based on the needs of the service users instead of the existing structures. The resolutions could be quite different and the results more sustainable'.

The interpretation appeared to be that the city was unable to work in a manner that

ensured that people felt like they were catered to and their problems—which often crossed the boundaries of service sectors, services, and organizations—were sufficiently dealt with. Therefore, the need for systemic change was based on the notion that the fragmented sector-oriented approach of the service system had difficulties in meeting the needs of the youth, thereby leading to inefficiency and simultaneous fragmented service processes started by different PSOs.

In its attempts to develop the service system, the city concentrated on the PSOs and the networks of collaborating PSOs by identifying the need to create an overall understanding of the service network of youth services. This task included the mapping of youth-related functions within the city's own organization and, subsequently, outside organizational boundaries. As a solution to the need for systemic development, the city purchased a service, *Vamos*, from outside its own organization.

The city viewed extrinsic service providers as drivers of a systemic change, which the public sector was allegedly incapable of achieving by itself. Here, the value obtained from the integration process and the systems' development was regarded as 'value for money', where public organization's internal efficiency could be achieved by reducing the fragmentation and the resulting inefficient processes. *Vamos*' role was not to compete with PSOs but to make the public service system more efficient—one person at a time, in a network of multiple PSOs—by operating on the basis of the needs of the youth.

In this fourth conflict category, the stated objective of co-creating value in the form of improved well-being of the youth was defined in the city's strategy; attempts were made to effect change through the collaboration, interaction, and integration of multiple PSOs from public, private, and third-sector organizations. However, as previously described, what went unnoticed was the impact of the fragmented sector-

oriented structures and institutional arrangements of public services, on the transformation of both Vamos and the overall service system. Based on the analysis, a discontinuity emerged between the strategical aims and the decisions underlying practical actions; consequently, the complex, emergent nature of systemic change was left unnoticed.

## **Discussion and conclusions**

We suggest that research on and management of value co-creation could benefit from *complex public service systems'* approach: a synthesis of ideas from PSL, service ecosystems, complexity-informed research and conflicts. We will next discuss how the identified conflicts in understanding the needs of the youth, value, the roles of multiple actors and transformation of service systems affect the processes of value co-creation and service system transformation in this specific context (Table 5).

[Table 5 near here]

*Value is co-created in often complex ways.* We argue that transformation is always beset with conflicts (Vince 2014), and that these conflicts of institutional arrangements drive both the transformation and maintenance of value co-creation and service systems. Complex public service systems' transformation through institutionalization implies not only transformative action but also overcoming the conflicts of institutional arrangements through institutional maintenance (Vargo, Wieland, and Akaka 2015).

According to the findings, actors did not only consciously take transformative, disruptive or maintaining actions in this service development initiative. Rather, they often unconsciously 'followed' the dominant institutional arrangements, which in turn are inherent in their decisions and behaviour. This can be also explained as individuals

experiencing pressure caused by existing institutional arrangements while trying to foster transformation (Vink et al. 2019).

Foregrounding the complex, dynamic, multi-level nature of transformation in the process of value co-creation implies that both change and maintenance in one aspect of the system affect another aspect in complex ways. For example, in this case maintaining and following the institutional arrangements and service structures of the city impacted Vamos and its possibilities to co-create value with service users, although this change was not intended. Related to the roles of actors, the complex nature of transformation also implies that Vamos had an impact on, or at least challenged the other actors' ways of working.

*Value is co-created by placing the needs of service users at the centre of all activities.* We propose that PSL offers a prominent starting point for understanding value co-creation by placing the lived experience of the youth and resolving their challenges effectively at the core of all action (Osborne et al. 2015; Trischler and Charles 2019). However, the results revealed that putting theory into practice is rather controversial. A holistic, dynamic, and need-based service system was still far off in the context we examined.

The findings foreground the need and strategic aim of the city to consider governing public services within such a service system that would place the lived experience (Osborne, Radnor, and Strokosch 2016) of service users at its main concern. Yet, it became evident that the public organization—the city—could not manage such a development. The tendency was clear for example understanding value mainly as internal efficiency and evaluated through numerical measurements in contrast to understanding value as an improved well-being of the service users.

*Value is co-created by individuals at different levels and networks interacting with often conflicting institutionalized aims, values, beliefs and practices.* Complex public service systems include multiple actors with different roles and institutional arrangements, which simultaneously affect and are affected by the system where value co-creation is located (Trischler and Charles 2019; Vargo and Lusch 2016). This brings to light the need to acknowledge both presence of the multiple levels and the simultaneously existing institutional arrangements of multiple actors, in a specific context and through conflicts. Indeed, value co-creation is ‘a multiactor phenomenon involving dynamic and complex value constellations’ (Trischler and Charles 2019, 27).

In the case studied, actors from schools, health care, social services, child welfare services, youth services, as well as city officials and politicians all brought different institutional arrangements to the interaction with one another. What became evident only after the study of conflicts was that the actors’ institutional arrangements were contradictory. The conflicts in understanding the roles of actors aroused questions of what one should do and how as a part of the service system, and in relation to other actors.

As Vince (2014) accurately states, without critically addressing the conflicts integral to all development initiatives, the attempts of transformation can often lead to things remaining the same. Our findings suggest that the development initiatives of the service delivery and service system were mainly guided by the actors’ attempts to maintain or follow the institutional arrangements and service structures of the city. The disruptive institutional arrangements were at play (for example understanding the service users’ needs as a basis for deciding the target group, or measuring value as improved well-being experiences of the service users), yet the power relations seemed to hinder the transformation.

*Value is co-created within a multi-actor setting where power is unequally distributed.* An important underlying mechanism related to conflicts and service systems' transformation is power. Hence, actors do not hold equal possibilities of influencing value co-creation and systemic transformation in complex settings (Haynes 2018). By power, we refer to organizational dynamics integral to actors' experiences. Power relations hinder and enable behaviour and action and, therefore, shape the possibilities of actors to transform their ways of working. (Vince 2014.)

In our case, quite naturally, the power seemed to be on the city's side, impacting, for example, the practices of defining the target group for the service and measuring service effectiveness through numerical indicators. Indeed, the struggle over power and position, has recognized to be one of the key elements motivating actors to co-create value and further transform the service system (Skålen, Aal, and Edvardsson 2015).

*Value is co-created in overlapping complex service systems that cross organizational as well as system boundaries.* Although the strategically stated objective of this service development initiative was to gain a systemic transformation with the service purchase, the nature of systemic transformation went unnoticed. The attempts to manage service system transformation mainly remained focused on the city's own organization, the single service organization and networks of PSOs instead of the service systems' perspective.

Despite the strategical aims of the city, the decisions initiating practical actions were guided by the city's existing service structures and institutional arrangements instead of foregrounding the service users' needs at the heart of service management. However, challenges and needs of the service users 'know' neither the organizational nor system boundaries. Therefore we suggest that in order to understand the value co-

creation and service systems transformation in a dynamic, multi-level and multi-actor settings (Eriksson et al. 2019; Lee and Lee 2018; Waardenburg et al. 2019), a complex public service systems approach is needed.

### *Managerial implications*

In pursuing value co-creation, public managers should employ a holistic viewpoint, taking into account service users' needs, multiple actors' experiences, and the systems perspective by engaging with complexity (Castelnovo and Sorrentino 2018; Trischler and Scott 2016). We suggest that managers need to 'zoom out and analyse how value cocreation takes place between collective organized actors with possibly different interests' (Trischler and Charles 2019, 26).

If a desired change is to take place, at least one party must notice the differing underlying institutional arrangements. Due to their positions, managers often have the power to hinder or enable transformation (Vince 2014). This implies that managers' role should include identifying the conflicts of institutional arrangements (Rossi, Rannisto and Stenvall 2016). Then, for something novel to emerge, there needs to be ongoing negotiations around these differences (Mowles 2015; Rossi, Rannisto, and Stenvall 2016; Vargo, Wieland, and Akaka 2015).

In keeping with Vargo and Lusch (2016), instead of exclusively and often unconsciously focusing on the dominant institutional arrangements, we suggest that managing the transformation of public service systems is about realizing, accepting, understanding, and balancing the different institutional arrangements that actors bring to the value co-creation processes. Conflicts offer a window through which the institutional arrangements, obstacles and possibilities of value co-creation processes and service systems' perspectives can be made visible and addressable. Therefore, managers



do not need to attempt to avoid conflicts but rather recognize their presence and utilize them as an engine of service system transformation.

This study also makes way for additional questions and new research avenues. First, further theoretical and empirical research related to a complex public service system perspective on value co-creation is necessary. In particular, utilizing a complexity-informed approach and focusing on conflicts at different levels of government and across different public administration traditions could further advance our understanding of service system transformations. For example, it would be crucial to focus on power imbalances in a multi-actor service systems settings. Conflicts could also be addressed in value co-creation with professionals *and* service users. In practice, service design could provide tools for including the service users; understanding conflicts of institutional arrangements; and a means of connecting the micro and macro levels of value co-creation in service ecosystems, thereby engaging with complexity and system transformation (Trischler and Scott 2016; Vink et al. 2019).

It is beyond this research's extent to explore whether Vamos managed to achieve the aims described to it: transforming the public service delivery and service system to meet the needs of the youth. Yet, due to the dynamic nature of complex public service systems it is evident that the service system is by now transformed in one way or another.

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<b>Key actors</b>	<b>Organization and position</b>	<b>Role in the service development initiative</b>
city official	city, head of the welfare division	strategic planning and decisions
city official	city, director of family and social services	strategic planning and decisions, preparing the service purchase, presenting the purchase proposal, collaborating and governing Vamos' operational work
city official	city, project worker in education division	participating in the network of youth services, preparing the service purchase, participating in the directing group
service manager	Vamos, group manager	preparing the service purchase, starting the service, working with the youth
frontline worker	city, doctor in youth clinic, health care services	preparing the service purchase, working with the youth, collaboration with Vamos
frontline worker	city, nurse in youth clinic, health care services	working with the youth, collaboration with Vamos
frontline worker	city, youth services, family and social services	participating in the service purchase, working with the youth, collaboration with Vamos
frontline worker	Vamos	working with the youth
frontline worker	Vamos	working with the youth
frontline worker	Vamos	working with the youth
frontline worker	Vamos	working with the youth
frontline worker	Vamos	working with the youth
service manager	Vamos	strategic planning in collaboration with the city officials, starting the operational work

Table 1. Key actors and their role.

Theme	Questions
<b>Background information</b>	<ol style="list-style-type: none"> <li>1. What is your organization?</li> <li>2. What is your role in this organization?</li> <li>3. What is your role in this service purchase and development initiative?</li> </ol>
<b>The objectives</b>	<ol style="list-style-type: none"> <li>1. How has this initiative been justified to you, i.e., based on your understanding, what was the reason this initiative was launched? (objectives from the city's perspective)</li> <li>2. What did you think, in terms of your hopes and goals? (objectives from the interviewee's perspective)</li> <li>3. How do these two perspectives come together? (alignment of objectives)</li> <li>4. What did you think about other actors' goals compared to yours? (alignment with other actors' objectives)</li> <li>5. Have these original goals changed in the process since the service started operating, and if so, how? (changing objectives)</li> <li>6. From your perspective, how is this service development initiative functioning, and have the stated goals been achieved/are they achievable? (achieving the objectives)</li> </ol>
<b>City governing the service development initiative</b>	<ol style="list-style-type: none"> <li>1. How would you evaluate the city's success in leading and managing this development initiative?</li> <li>2. Actors for the city: in your day-to-day work, do the city's strategic choices matter?</li> </ol>

Table 2. Topic list.

Meaningful passages	Paraphrased passages	Third-level categories
<p><i>Because easily, they would redirect tens of youngsters to us, and then we would have our numbers filled, and our service would only be for those kids who are already connected to child welfare and who should be able to [receive the service from child welfare]. Yes.</i> (Service Manager)</p>	<p>Vamos cannot work with youth that the child welfare sector is already working with because they should be able to help themselves and Vamos would have their numbers filled.</p>	<p>Who needs help or can be helped is defined by service customership and resource allocation issues.</p>

Table 3. Example of forming the third-level categories.

<b>Second-level categories</b>	<b>First-level categories</b>
defining the target group and preventative work resource allocation defining who can be helped operational logic of the service defining who should be helped the needs of the youth as basis for defining the target group	Conflicts in understanding the needs of the youth
measuring effectiveness important but difficult and complex task measuring effectiveness as improved well-being experience of youth difficulty in measuring experiences to evaluate service effectiveness numerical measurements of service effectiveness numerical vs. quality measurements imbalance effectiveness as improved service system effectiveness as improved efficiency and effectiveness of other services	Conflicts in understanding value
integrating the service into the youth service system service purchased for filling the structural hole in service system service purchased to develop the service system gap in service system based on the needs of the youth questioning the relevance of the service questioning the need for the service exclusion from the integration process and decision-making difficulties in collaborating within the service system difficulties arising from professionalism difficulties arising from mismatch between service's operational logic and needs of the youth	Conflicts in understanding the roles of multiple actors
city's need to develop service system needs-based system more effective needs-based system more efficient service purchases as strategical choices service purchase as means to develop the service system public service system incapable of achieving desired change focus on service network	Conflicts in understanding the transformation of the service system

Table 4. Generating first-level categories.

Service users' needs as basis of value co-creation	<b>Conflicts in understanding</b>	<b>Maintained and followed institutional arrangements</b>	<b>Disrupting institutional arrangements</b>
	The needs of the youth  How to decide for whom the value should be co-created?	Deciding the target group based on existing institutional arrangements and service structures of the city	Deciding the target group based on the service users' needs
	Value  What is value and how it can be measured?	Understanding and measuring value as internal efficiency, using numerical information, 'value for money'	Understanding and measuring value as experiences of the service users' improved well-being, value as external effectiveness
	Roles of multiple actors  How to co-create value in a multi-actor service system?	Understanding the role of Vamos as supplementary in the existing network of PSOs, understanding the roles of actors based on sectoral structures and as integrated in network of PSOs	Understanding the roles of actors as adding value to the lives of the service users in collaboration with other PSOs, understanding the impact of all actors to service systems
	Transformation of service system  How to co-create value within a complex public service system?	Understanding the service users' needs-based value co-creation and service system transformation as strategical decisions and relying in one service organization	Understanding the conflicts between strategical aims and decisions underlying practical actions, acknowledging the complex, emergent nature of systemic transformation

Table 5. Conflicts of institutional arrangements affecting the value co-creation and transformation of complex public service systems.

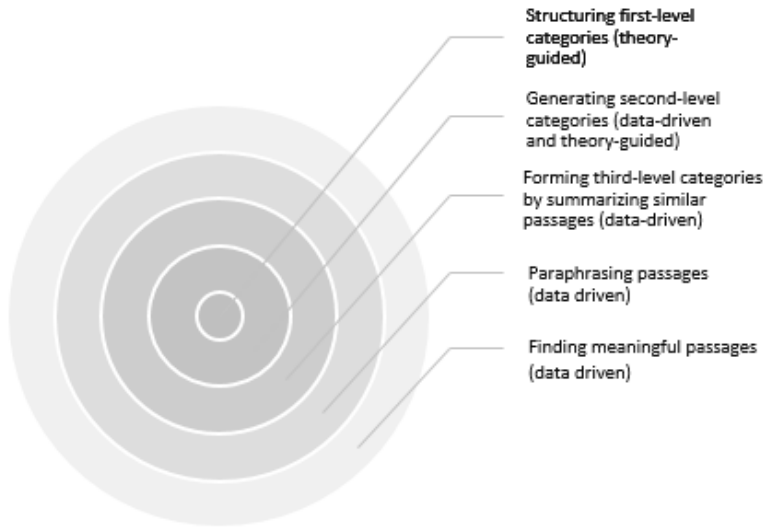


Figure 1. Bottom-up coding scheme for analysing the data.







