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## **Public service logic and the creation of value propositions through framing**

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## **Public service logic and the creation of value propositions through framing**

This paper aims to contribute to the scholarly debate on public service logic (PSL) by deepening the understanding of how value propositions are created and altered. The PSL literature has so far suggested that value propositions are central to the value creation process, but there is scant understanding of how value propositions are created and adapted to citizens' needs. The paper contributes by showing how the creation and alteration of value propositions takes place through framing and reframing processes, and it explores how the concept of framing can further advance PSL.

Keywords: Public service logic (PSL), value propositions, framing, reframing, design thinking, service design, multiple case study

## **Introduction**

In recent years, public service logic (PSL) has emerged as a new research stream within the public management literature (Alford 2016; Osborne 2021; Osborne et al. 2022; Osborne, Nasi, and Powell 2021; Engen et al. 2021). PSL understands the process of value creation from a service logic and highlights the experiential dimensions of value as experienced by public service users during service interactions and within their own diverse life contexts (Grönroos 2011; Vargo and Lusch 2008; Rihova et al. 2013). According to PSL, value is therefore not created by organizations, embedded within services, and later delivered to service recipients. Rather, service users are viewed as playing a central and integral role in the value creation process (Grönroos 2019; Osborne et al. 2022).

From the PSL perspective, the role of the public service organization (PSO) is thus to facilitate the user's value creation by integrating and offering resources. More specifically, PSOs are perceived as being engaged in the development and provision of services which make a proposition of future value, described in the service marketing literature as a 'value proposition' (Skålén et al. 2015; Ballantyne et al. 2011; Vargo and Lusch 2008). Realized value is dependent on how service recipients make use of these propositions.

Still in its relative infancy, the PSL literature has focused primarily on value creation during consumption, with empirical studies examining both the co-creation and co-destruction of value during service interactions (Hardyman, Daunt, and Kitchener 2015; Hardyman, Kitchener, and Daunt 2019; Skarli 2021a, 2021b; Engen et al. 2021). PSL studies have also started to address the complexity of value creation as occurring in broader systems of multiple interacting actors, conceptualized as value (co-)creation in service ecosystems (Trischler and Westman Trischler 2021; Osborne et al. 2022;

Petrescu 2019; Strokosch and Osborne 2020; Engen et al. 2021). Moreover, Eriksson et al. (2020) examined processes in which value propositions are developed through multi-actor collaboration requiring coordinated resource integration. Still, limited attention has been paid to the concept of ‘value propositions’ itself and how it can be interpreted and contextualized in a public service context (Skálén et al. 2018; Osborne 2018). Addressing this involves examination of the process which ‘precedes the public service user’s realization of value’ (Eriksson et al. 2020, 791). This has been highlighted as an area in which current service management research falls short and where further theoretical and empirical research is needed (Hodgkinson et al. 2017). Thus, the aim of this paper is to provide conceptual and empirical insights into the mechanisms leading to the creation of new value propositions and/or alterations of existing ones.

To address this aim, we analyse findings from a qualitative multiple case study of seven projects applying service design methods in efforts to create or alter value propositions. The cases are set in five different European countries, and the multiple case study design allows us to explore shared traits of the processes across different national policy contexts.

Service design involves the use of creative and iterative methods and tools to engender innovation and problem-solving based on inspiration of how designers work (Micheli et al. 2019; Wetter-Edman et al. 2014). Recently, design scholars have started to highlight that the strength of design methodologies is linked to how design tools and methods enable the exploration and application of new frames, or lenses, when addressing given problems or problem domains (Schaminée 2018; Dorst 2015a, 2015b). ‘Frame creation’ is developed as a concrete approach and design practice, structured around a nine-step process model (Dorst 2015a). However, framing is also a more general sociological concept referring to communication strategies, use of rhetoric

(Chong and Druckman 2007), and fundamental cognitive processes (Goffman 1974). Hence, the broad literature on framing and reframing suggests that the shifting of frames can be applied both explicitly and consciously, and more implicitly and intuitively, when value propositions are created and altered. We find several interconnections between the literature on framing and PSL, but these have not been made explicit. We seek to explicate and explore these interlinkages to bring new insights to the more neglected aspects of PSL.

Against this backdrop, the paper addresses the following research question: *How can the concept of framing contribute to our understanding of how value propositions are created and altered in public service contexts?*

The study contributes in two important respects. First, by linking the concept of framing and framing theory with PSL, we bring attention to the mechanisms by which value propositions are created or altered, and we introduce new means by which to analyse why change and alterations of value propositions can be difficult to realize in practice. Second, by examining the processes through which new value propositions come (or fail to come) into being, we bring attention to the challenges and predicaments inherent during the design of public services.

We proceed by reviewing the literature on PSL and value propositions. This is followed by an outline of the concept of framing, service design, and its interconnections with value propositions and PSL. Subsequently, we introduce the methodology, followed by a presentation and discussion of findings and their implications.

### **Public service logic and value propositions**

Over the last decade, PSL has emerged as a new stream of research, drawing on insights and concepts from service management and marketing and integrating them with public

administration and management literature. The overall aim is to better understand the nature of value and value creation in public service contexts (Hodgkinson et al. 2017; Osborne et al. 2022).

PSL's theoretical framework has gradually developed through different stages. Earlier publications focused on the importance of acknowledging service users as co-producers of services, highlighting co-production as an inherent aspect of service delivery (Osborne and Strokosch 2013). Stressing co-production as an integral element of service provision led to more fundamental discussions of public services as *services*, not goods, leading to the conceptualization of a SERVICE framework and a public service-dominant logic (PSDL) approach to public services (Osborne et al. 2015; Alford 2016; Hardyman, Daunt, and Kitchener 2015).

Moving forward, the research dialogue has taken different twists and turns. First, relevant publications began using the concept of 'public service logic' rather than 'public service-dominant logic' (Osborne 2018; Eriksson 2019; Skålén et al. 2018; Engen et al. 2021). This replaced PSDL with a 'crisper term' (Osborne 2018), but it also marked a distance between PSL and the marketing literature on service-dominant logic (SDL) (Vargo and Lusch 2008, 2004). Instead, the work on SL within service management was highlighted as more suitable for analysing value creation in public service contexts (Grönroos 2011, 2019; Grönroos and Voima 2013; Osborne 2018).

Others have at the same time highlighted the relevance of adapting SDL to public service contexts due to its meta-theoretical and systemic understanding of value and value creation (Trischler and Charles 2018). Specifically, the SDL concept on service ecosystems is seen as particularly fruitful for analysing the complexity of value creation in public service contexts, which is shaped by the role and actions of multiple actors and interacting systems on different levels (Trischler and Charles 2018; Petrescu

2019; Osborne et al. 2022; Strokosch and Osborne 2020; Trischler and Westman Trischler 2021). The most recent research dialogue on PSL integrates, as such, concepts and theoretical resources from both SL and SDL.

Although there are some differences in the basic arguments of SL and SDL, both frameworks assume that organizations cannot provide value, only potential value (Vargo and Lusch 2008; Grönroos and Voima 2013). This has been termed ‘service offerings’ in SL and ‘value propositions’ in SDL, but the arguments are basically the same: It is the users’ value creation and perception of value that are crucial, and firms or organizations should be centred on how to facilitate or support their value creation. This understanding of users’ role in value creation is also at the heart of PSL, and it distinguishes PSL from intersecting theories within public administration and management.

PSL theorizes value and value creation and provides in this way an alternative to and criticism of new public management (NPM), perceived as a flawed governance paradigm due its focus on internal efficiency, control, performance measurement, and subsequent fragmentation of service processes (Osborne et al. 2015; Osborne, Nasi, and Powell 2021). By highlighting the role of users and citizens in value creation, PSL entails a shift of focus from the activities of PSOs towards the outcome of PSOs’ activities – and whether these support users’ value creation.

However, PSL is not unique in criticizing and proposing alternatives to NPM (Osborne and Strokosch 2022). For instance, public value theory (PV) (Bryson, Crosby, and Bloomberg 2014; Moore 1995) has called for greater attention on public value outcomes. Still, PV places emphasis on public managers as creators of public value (Osborne and Strokosch, 2022), whereas PSL suggests that users and citizens are the



ultimate creators of value, which a PSO can support by offering and integrating resources.

New public service (NPS), introduced by Denhardt and Denhardt (2000), represents yet another critique of NPM by proposing that market structures and competitiveness should be replaced by more open and responsive approaches to citizens' needs. The role of PSOs therefore shifts from one of 'steering' to serving, which requires substantial institutional restructuring (Denhardt and Denhardt 2000; Denhardt and Denhardt 2015). NPS calls for greater citizen participation and activeness due to its normative benefits but does not focus on *value* per se. Therefore, what distinguishes PSL from these intersecting theories is linked largely to its alternative perception of value (Osborne and Strokosch 2022). As indicated, this alternative view can be understood through the concept of value proposition.

### ***A deeper look at value propositions***

A value proposition is often explained as a 'promise' of future realization of value creation (Frow et al. 2014; Grönroos and Voima 2013; Skålén et al. 2015; Ballantyne et al. 2011; Vargo and Lusch 2008; Skålén et al. 2018). For instance, Skålén et al. (2015) understand value propositions as configurations of resources that promise future value to users. However, the common understanding of value propositions as promises is somewhat problematic. The idea that a value proposition constitutes a promise originates from a sales context and was conventionally understood as the promise communicated by a seller in efforts to convince a customer to make a purchase (Ballantyne et al. 2011).

It might be less relevant to interpret value propositions as promises in a public sector context. The idea of a promise is linked to the interest of commercial firms to

convince costumers to make a purchase and to repeat that purchase. PSOs, on the other hand, redistribute collective assets and seek to ensure that citizens receive services that they are entitled to in an effective, fair, and correct manner in legal terms (Alford 2016). In many cases, the aim is not to make sure that users need continuous or repeated support from the PSO. On the contrary, the aim is often to make the need for support dispensable (Osborne et al. 2022; Osborne 2018). Moreover, the provision of public service could entail various forms of coercion in which the idea of a ‘promise of future value’ seems misplaced (Alford 2016).

Even so, this does not imply that the notion of value propositions is unsuited for public service contexts, but it implies that value propositions should not be interpreted as promises when discussed in this context. It remains relevant to understand PSOs’ resource configurations as offering potential value (Vargo and Lusch 2008; Grönroos and Voima 2013; Skålén et al. 2015), which suggests directions for future value creation. This is also more in line with formal definitions of a ‘proposition’ as ‘something offered for consideration’.<sup>1</sup>

This understanding of value propositions allows for explorations of the user as the essential creator of value in public service processes. These value propositions could be well suited to support the value creation, or they might be ill-suited for the purpose so that the user’s interactions with the service lead to value destruction rather than value creation (Echeverri and Skålén 2011).

PSL research has thus far mainly assessed the enactment of value propositions at the service level and examined whether they serve the intended purpose of facilitating users’ value creation (Hardyman, Daunt, and Kitchener 2015; Hardyman, Kitchener,

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<sup>1</sup> Merriam-Webster. (n.d.). “Proposition.” In Merriam-Webster.com dictionary. Accessed May 31 2022. <https://www.merriam-webster.com/dictionary/proposition>

and Daunt 2019; Skarli 2021a; Engen et al. 2021). Conversely, the creation of value propositions, or service offerings, has gained less attention (but see Eriksson et al. 2020; Skálén et al. 2018).

How these value propositions are created and altered in public service contexts remains to be understood. For instance, value propositions are developed and adjusted at the level of service interactions because they are shaped by the prioritizations and discretionary authority of frontline employees (Lipsky 2010), as well as the needs of service users and their interactions with the service. Value propositions are also shaped at the policy level through legislation, political mandates, and national reforms and programs (Bryson, Crosby, and Bloomberg 2014; van Buuren et al. 2020). Moreover, although policies and legislation provide the broad frameworks for value propositions offered at the service level, value propositions are also largely shaped and enacted by PSOs and through inter-organizational coordination across PSOs (Eriksson et al. 2020).

The empirical focus of this paper is on the PSO level, which means that we explore processes and efforts to create or alter value propositions as seen from the perspective of actors within PSOs. However, we acknowledge that the creation processes span across levels through nested layers of interactions and through multi-actor arrangements (Trischler and Charles 2018; Osborne et al. 2022; Petrescu 2019; Trischler and Westman Trischler 2021).

A few studies have explicitly examined the development of value propositions in public service contexts. Skálén et al. (2018) explored the development of value propositions related to idea generation, but without addressing the concretization or implementation stages. Eriksson et al. (2020), on the other hand, zoomed in and explored how new value propositions are created as coordinated efforts across PSOs, based on a longitudinal action research project. Their study offers insights into the

lengthy and complex processes involved in the creation and implementation of new value propositions, but it is based on the analysis of intricacies in a single case narrative.

This paper extends these existing studies by exploring efforts to develop new value propositions in seven different cases set in the public sector. Moreover, we argue that studies and theorizing of framing and reframing processes provide keys to understand how value propositions are created or altered. The next section elaborates on this and outlines framing as a theoretical construct and a service design method.

### ***Framing and reframing of value propositions through service design***

Design approaches have gained traction as a promising avenue for innovation in public services (Bason 2018, 2017; Trischler and Scott 2016; Junginger and Sangiorgi 2011; Clarke and Craft 2019; Trischler and Westman Trischler 2021; Junginger 2017).

Service design connects to the research debates on PSL because it can be seen as providing the practical tools to facilitate PSL in PSOs due to its ability to involve users in design processes and/or tap into experiential value dimensions from users' perspectives (Radnor et al. 2014; Trischler, Dietrich, and Rundle-Thiele 2019; Trischler and Scott 2016; Wetter-Edman 2014).

Moreover, service design can be seen as involving creative and experimental approaches seeking to develop or alter value propositions. The strength of service design tends to be linked to the ability to take an 'outside-in' perspective on existing services and solutions to societal problems (Holmlid and Evenson 2008). In the literature, the outside-in approach is perceived as vital for unleashing creativity and for addressing problems and existing solutions in new ways, which could subsequently contribute to developments of new value propositions.

The design literature has started to explore how these creative processes are linked to the notion of framing and reframing (Dorst 2015a, 2015b; Lee 2020; Paton

and Dorst 2011). However, framing, or frame analysis, refers to a broad, multidisciplinary methodological approach in the social sciences largely associated with the work of sociologist Erving Goffman (1974). Simply put, framing directs how people perceive things and approach the world, and it can be applied consciously or unconsciously. The application of frames contributes to structuring the world and rendering situations and phenomena intelligible and meaningful; it is seen as aiding in understanding ‘What is going on?’ in particular situations and circumstances (Goffman 1974, 8).

However, the term ‘framing’ is used and defined in numerous ways (Chong and Druckman 2007). On one hand, framing refers to the choices made in communication, that is, the framing chosen when a communicator addresses a specific topic. This is linked to how framing is used in discourse analysis, rhetoric, and communication studies more broadly (Entman 1993). On the other hand, framing depicts individuals’ cognitive processes, or ‘frames in thought’ (Druckman 2001), which refers to the way the concept has been used within the symbolic interactionism of sociology (Goffman, 1974). However, framing in communication and framing in thoughts are interlinked, as the frame used in communication could affect the structure of the mind. This is discussed as ‘framing effects’ (Druckman 2001; Levin, Schneider, and Gaeth 1998).

Frames also work in accordance with the principles of ‘hiding and highlighting’, implying that frames tend to accentuate certain aspects of social life which are considered important or problematic while simultaneously shadowing or hiding other aspects. Frames work in this way as a filter for peoples’ perceptions, and potential for change or transformations can be found in the shifting of these filters that could change collective perceptions of what is more and less important (Entman 1993).

Thus, the potential for change, disruption, and new creations can be found in the

ability to reframe phenomena or certain societal problems, and the concept of (re)framing has consequently been increasingly embraced in disciplines working practically with design, creative processes, problem-solving, and innovation (Lee 2020; Paton and Dorst 2011; Dorst 2015b; Schaminée 2018; Dorst 2015a; Carlgren, Rauth, and Elmquist 2016; Micheli et al. 2019; Meijer 2015). Framing and reframing can also be used as an explicit design strategy, understood as a way of approaching issues and problems in new ways by alternating between different lenses (Carlgren, Rauth, and Elmquist 2016; Dorst 2015a, 2015b; Paton and Dorst 2011; Schaminée 2018). Dorst (2015a) describes problem framing as a key service design practice that has the potential to challenge conventional forms of problem-solving. Frame creation, more specifically, is described as the process of finding a novel standpoint from which a problem can be solved. Moreover, the process of framing is seen as involving the ability to accept ambiguity and tensions (Carlgren et al., 2016) and to think around paradoxes (Dorst, 2015a).

So far, these research dialogues have not been connected to PSL, but they have the potential to illuminate and inform the design stage of service production (Osborne, Nasi, and Powell 2021). Connecting these research dialogues could contribute to more holistic portrayals and understandings of the value creation process in public services (Hodgkinson et al. 2017), bringing attention to the creation of value propositions preceding the value creation and not merely the dynamics in ‘consumption’, on which the literature has mainly focused thus far (Skarli 2021a, 2021b; Hardyman, Daunt, and Kitchener 2015; Hardyman, Kitchener, and Daunt 2019; Engen et al. 2021). Our analysis is centred on how framing and reframing processes are present in service design projects seeking to develop new value propositions, including in cases where it is not pursued as an explicit design strategy. We argue that this brings us closer to

understanding key aspects of how new value propositions are created or altered. Next, we describe the methodology and the case study design.

## **Methodology**

Our analysis draws illustratively on insights from a multiple case study of seven projects that, in different ways, seek to develop or alter a PSO's value propositions based on the application of design expertise and/or various design thinking methods (Micheli et al. 2019; Schneider et al. 2010; Bason 2017). The practice of service design is supported by a toolbox of methods (Trischler and Scott 2016; Stickdorn 2010), including user research to uncover service users' needs, customer journey mapping to understand current service experiences (Følstad and Kvale 2018), and creative and iterative processes of developing, experimenting, prototyping, and testing new or altered value propositions (Radnor et al. 2014; Teixeira et al. 2012; Wetter-Edman et al. 2014). Hence, studies of service design projects in the public sector provide an empirical entrance to explore efforts to create or challenge existing value propositions.

## ***Case study design***

The case study is exploratory and follows the principles of multiple holistic case study design (Yin 2009), which means that each case constitutes a unit of analysis. Case study research involves investigations of real-life phenomena within their environmental contexts, and the synthesis and analysis across multiple cases may follow different strategies and rationales (Flyvbjerg 2006; Stake 2013; Yin 2009). Exploratory multiple case studies explore processes and address mechanisms through which certain phenomena take place (Stewart 2012). This applies to our research design in the sense that we seek to explore the underlying mechanisms through which value propositions are developed or altered in public service contexts.

Moreover, the research design is based on the principle of 'abduction', which combines elements from induction and deduction (Czarniawska 1999; Dubois and Gadde 2002). This involves moving back and forth between theory and the interpretation of data, and the analysis involves searches for theoretical constructs that can help make sense of the data and facilitate research dialogues across cases. These iterative processes eventually led us to zoom in on 'framing' as a sensitizing concept that could aid our cross-case analysis and contribute to the development of PSL more broadly.

Sensitizing concepts serve as interpretive devices to guide qualitative analyses and are particularly valuable in studies set in complex and emerging fields (Bowen 2006). Sensitizing concepts are not used to prescribe fixed or definite analytical procedures but to direct the analytical gaze (Blumer 1954). In our analysis, we explore the applicability of the concept of framing, and we discuss the contributions and limitations of the concept when it comes to advancing our understandings of how value propositions are introduced and developed, as seen from the PSL perspective.

Validity in qualitative research connects to credibility and the question of whether the findings and analysis are trustworthy (Guba and Lincoln 1994). This can be assessed in different ways, and two kinds of measures were deployed to ensure trustworthy analyses in our research. First, data reports were presented to key informants to see if they found the representation of the case to be accurate. Edits were made in the report based on their feedback. Later, a more advanced analysis was presented to a stakeholder panel with representatives from different European public service sectors. They were invited to comment on the analysis in terms of its transferability (i.e., whether they found the findings and analysis relevant and applicable



more generally). The validation process with stakeholders offered direction for further development of the analysis and led to adjustments and refinements.

### *Case selection strategy*

Our study of design and value propositions was conducted as part of a broader European research project investigating different co-creation approaches in public services.<sup>2</sup> The project's partner countries provided the national contexts for the selection of cases. Case studies were selected from five countries representing different European backgrounds and welfare state models: Nordic (Norway), Anglo-Saxon (United Kingdom), Central European (France), Mediterranean (Spain), and Eastern European (Hungary). This diversity of national contexts for the case studies enabled us to explore commonalities and shared patterns underlying the creation and alterations of value propositions across different policy contexts.

Next, for the selection of cases within these national contexts, we followed a strategic and intensive sampling strategy (Patton, 2002) in which we sought information-rich cases. More specifically, our case selection resonated with a 'diverse case selection strategy' (Gerring 2007), with the aim of including cases that would provide variance along different dimensions of the phenomena being studied. The case study protocol specified two further case selection criteria: 1) The cases had to involve projects in which design tools were applied, and 2) the cases had to be set in public service involved in provision of services to citizens. When identifying eligible cases, the research team reviewed the research literature as well as the grey literature on

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<sup>2</sup> The title of the project is "Understanding value co-creation in public services for transforming European public administrations" (Co-VAL)

application of design methods for improvement and renewal of public services in the respective participating countries.

An overview of the interlinkages and characteristics of the included cases is provided in the table in Appendix 1. The table provides an overview of the background for the projects, the problems addressed, the design methods applied, the proposed value propositions, and the implementation statuses at the time of the data collection

### ***Data collection***

The data were collected in 2019 and consist of documents, interviews, and observations, with in-depth interviews as the primary data source (see Appendix 2 for an overview). Semi-structured interviews were conducted following shared but customized templates and guidelines. The interview guides were designed to gain holistic understandings of the projects from different perspectives and covered topics such as understandings of the objectives, problems encountered, tensions/conflicts between actors, concrete results in terms of outputs (new services, products, procedures, new service practices), and reflections on the outcomes for service users/groups of users/citizenry. The interviews were recorded and transcribed when written consent was given; otherwise, interview notes were taken. A data report, based on the interview transcripts and other raw data, was produced for each case. The case reports conveyed the main narrative of each case backed with quotes from the raw data.

The case study protocol fulfilled the ethical requirements under the research project agreement with the EU Commission: There was formal consent authorization, participants answered freely and voluntarily, and participants were informed about their right to withdraw from the study. The information has been treated with total confidentiality and for scientific purposes only.

### *Analytical process*

Procedures for cross-case analysis may follow different tracks, and the choice of analytical strategy relies on whether to focus on the unique characteristics and contextual embeddedness of individual cases or to emphasize synthesized and general findings across cases (Stake 2013). Our analysis is based on a strategy that falls in between these two opposites, where the purpose is to merge findings across cases (Stake 2013, 58-63). The analytical process then involves identifying findings within and across cases and sorting the findings into themes. Our analysis resulted in a synthesis of findings under three themes, which we account for next.

### **Findings**

The selected cases illustrate how efforts to create or alter value propositions are linked to different forms of reframing. Moreover, the analysis identifies reframing as pertaining to three main themes: 1) as linked to shifts in organizational mindsets, 2) as embedded in the construction of new servicescapes (material surroundings), and 3) as relating to explorations of new approaches to societal problems. Below, we provide a brief overview of the cases and their thematic anchoring and explicate next what these forms of reframing entail and how they manifest in the included cases. A more detailed overview of the cases is available in Appendix 1.

- *Insert table 1*

### *Reframing through shifts in organizational mindsets*

In two of the cases (1 and 2), we found that new value propositions were developed as a part of broader shifts in organizational mindsets.

In Case 1, new value propositions were developed as part of the comprehensive design process of a new service system for social security in Scotland. The process was explicitly based on a user-centred design approach, and the work was organized as collaborative efforts across multidisciplinary teams. Reframing, in this case, was linked to the user-centred design approach, as the project aimed for a fundamental shift in the organizational mindset by taking the users' perspectives in the development of the new services. This resulted in developments of new value propositions, such as smoother service journeys, with application forms and the provision of information in a clear and understandable manner. Applications for grants were made more accessible through online applications. The following quotes illustrate the informants' reflections on what this shift in organizational mindset entailed:

But there's a sort of fundamental mindset shift in that which is, the people who use the service are the whole point of there being a service in the first place. So, starting from what they're going to do in order to get the support that they're entitled to. Rather than starting from the point of view of how... what are the rules that we're going to set out for this scheme which is quite a... It's coming... It's the same problem from the opposite ends. (Senior Manager A, Case 1)

We are actually designing services and not operations, and we're designing services around the problems that people need solved. (Senior Manager C, Case 1)

The informants also reflected that this shift in mindsets was fostered through the application of service design. More specifically, the informants referred to the 'Scottish Approach to Service Design' as the overarching vision for the development of the new services, implying that designing with and not for people is key (Business Analyst C). User research was further explained as crucial to the service design approach:

So, the service design is underpinned by the user research, and then we can have a look and do some sense-making of what that user research is telling us, and it usually highlights some real pain points that we can focus on. (Senior Manager D, Case 1).

What the shifts towards a more user-centred mindset in the organization entailed was explained as follows:

It's not just about the task that you're trying to achieve, it's not just about getting a person to fill out a form. It's about where does that sit in that person's wider life and what else is going on at that point. So, I hope that having that more holistic view and looking at things in that way, implies that we try to really situate what we're doing in the wider context of people's lives. (Middle Manager B, Case 1).

In Case 2, new value propositions were introduced in the form of new digital platforms for follow-up and interactions with users with reduced capacity to work. The new value propositions were developed through a service design process involving a reframing of users' perceptions. In the past, the services had largely been designed to ensure a certain distance between frontline employees and users, based on an assumption that the availability of frontline employees should be restrained. The new solution entailed a fundamental shift in the understanding of users and granted them more trust and responsibilities, and the frontline employees became more available through digital communication platforms. Additionally, in this case, the informants reflected that the project results (new value propositions) came about through fundamental shifts in the organizational understandings of what user-centrism implied, which was also seen to reflect a broader shift throughout the organization:

I'm thinking it's a shift we have started throughout NAV. The user perspective becomes stronger and stronger. That means that counting activities in NAV is not very helpful, if it does not make a difference for the user [...] we need to move much closer at what we do in a way, think smaller in a way—closer to the users, closer to those using the services. (Manager, Directorate level).

Although these shifts were seen as supporting possibilities for developing services that were better suited to meet users' needs, shifts towards a new form of user-centrism were also seen as filled with dilemmas:

Have we perhaps abdicated from our administrative role in our eagerness to fulfil the users' need? I'm thinking that as at the same time that we are offering services to users, we have also an administrative role [control/due process], so when we design services, we need to take into account the user perspective, but also the administrative and control perspective. (Manager, Directorate level)

We face all these demands from other sources than the users, bureaucratic demands in a way, which makes it difficult to revolutionize the services. (System architect, Directorate level)

Cases 1 and 2 involve schemes that constitute social safety nets to provide temporal benefits to persons lacking income due to unemployment and/or health conditions. Systems for administration of benefits have traditionally supported a policy objective to limit social welfare accessibility. This might make sense from the perspective of maintaining low public welfare spending. However, when taking a user perspective, access to benefits is a necessary part of self-reliance for individuals. Cumbersome administrative processes and limited access to information can, according to respondents, put extra pressure on already vulnerable people and prevent them from attaining broader goals such as health recovery or employment.

Thus, Cases 1 and 2 represent examples of how new value propositions are introduced through shifts in the framing of public welfare schemes, moving from the perception of such schemes as public assets that should be somewhat inaccessible to users to limit public spending towards an understanding of welfare schemes as necessary support for citizens in vulnerable situations that will be more effective if they are made more accessible.

### *Reframing as embedded in constructions of new servicescapes*

The development of new value propositions was found in three cases (3, 4, and 5) to be entangled with the construction of new physical surroundings, often conceptualized as servicescapes (Bitner 1992). In these cases, reframing was embedded in the new architecture surrounding the services. In Cases 3 and 4, new value propositions emerged through broader reframing processes redefining the role of libraries in local communities. Traditionally, libraries provide lending systems for books and other media products, but in both cases, the libraries are located in areas in need of access to places for socializing and cultural activities in a broader sense. This is exemplified in the following quotes from the cases:

The neighbourhood is unfinished, and some needed facilities are non-existent here. Together with the library, we wanted a revival of culture; our current little room became a place to meet, to study, to read, to network. So, in our case the library claims it's connected to culture in the neighbourhood. The library must be a space for meeting-up and dynamism. (Manager, Case 4)

People feel good here [in the community], but [...] they must also find cultural food here. (Manager, Case 3)

Through design processes, citizens were invited to contribute with inputs and new ideas, leading to the creation of new value propositions such as a surrounding garden for recreation (Case 4) and the integration of new technology, making the library more attractive for children and youth (Case 3). In both cases, the libraries were developed into more versatile spaces for new and broader forms of use. Design methods were used for planning the library, and more specific value propositions were embedded in the new constructions and plans:

So, we worked on a plan of uses, it's not an architect's plan, it does not describe the spaces, the volumes, the distances, it's rather a plan that describes the life inside the media library building, and how services work together. (Designer, Case 3)

However, Case 3 also revealed a continuous co-creation approach after the new library services were open to visitors, making visitors an integral part of the services:

This participation of the population, it was initiated from the beginning, but it was also built in, that is to say that we continued to work [with involvement of citizens]. (Frontline Employee, Case 3)

Continuously co-creating the services in this way, as well as inviting citizens to suggest new value propositions, was found to be valuable and rewarding but also demanding:

We leave a lot of space for everybody's propositions, it's also necessary sometimes to stop, and to say, 'Be careful, maybe we go too far', it takes a lot of energy, a lot of time, if you're already exhausted... You have to be cautious about that. (Frontline Employee, Case 3)

Although Case 5 is set in a very different service setting, dementia care, it shows how new value propositions emerge in conjunction with the development of new physical surroundings. The development of new surroundings enables a reframing of dementia care, but the decisions to construct new architecture also reflect broader shifts within the sector and resonate with movements towards more person-centred and relational forms of elderly care more broadly. The new value propositions were introduced as a response to acknowledgements that existing surroundings and premises in dementia care institutions failed to facilitate a meaningful everyday life for residents. Based on a field visit to an existing nursing home, a member of the project team reflected the following:

It's very institutional, that cramped, warm feeling. Locked doors and personnel that... well that way of organizing the work [...] But with new spaces, we should be able to make it nicer. (Project Team Member, Case 5)

The new surroundings both reflect and enable the reframing of dementia care and allowed for the development of new value propositions such as access to various options for having more meaningful days in a care facility by being able to take part in everyday activities such as cooking, cleaning, grocery shopping, and gardening or



cultural activities. In sum, new value propositions were designed to enhance opportunities for activation, socializing, and recreation for residents and represented an alternative to the predominant focus on the somatic and medicalized aspects of care in existing services. A combination of user-centred design (interviews with users and next of kin and observations of existing services) and co-design (workshops, design sprints) was used to introduce, create, and test new value propositions.

In sum, Cases 3, 4, and 5 illustrate how reframing can be embedded in the construction of new servicescapes. The new material surroundings both result from and reflect the new framings. In the library cases (3 and 4) the framing entails a shift from emphasizing libraries as venues and systems for book lending to versatile third places for socializing. As one of the informants explained,

Libraries now are not only book-lenders. These are now the spaces citizens use for their meetings. (Manager, Case 4)

This shift in perspective on the potential value or role of a library in the neighbourhood enabled the development of new value propositions. For instance, eventually, the library included a surrounding garden, an idea generated through design workshops with citizens. Similarly, in the case of the dementia village, there was a shift in the framing of dementia care from organizing services mainly around living rather than care and viewing dementia care facilities as homes for residents rather than working places for caregivers.

### ***Reframing as introduction of new approaches to societal problems***

Finally, two cases (6 and 7) exemplify efforts to develop new value propositions by shifting the framing in approaches to societal problems. Case 6 addressed public health issues among children by integrating health development activities in primary education. The novelty of the approach is linked to the inclusion of parents through

extracurricular activities, based on the reasoning that, in the end, it is parents who largely affect children's health behaviour. New value propositions were developed in the form of a health club pilot: The presence of parents in the classroom was unfamiliar to all participants (pupils, parents, teachers, school nurses) but also created unique opportunities to enhance family-school cooperation in a safe environment. A child-friendly workbook was also developed, which was 'very different from how normal school workbooks look like', as one participant noted. The program did not last beyond the pilot period, nor was it scaled beyond the initial four schools, because the program was found to be too resource intensive. It was also difficult to reach and involve those most in need of the service: 'The ones who were there, were not necessarily those who would have needed to be there' (Participant, Case 6).

Case 7 involved efforts to develop new value propositions by applying a new framing to traffic problems caused by the extensive commute between the suburbs and a city centre. Instead of assigning responsibilities for transport to the private domain of individual citizens, or to the public domain of public transport provision, a hybrid solution was suggested: a car-sharing system. The car-sharing system was a citizen initiative but received administrative and financial support from the municipality. A design agency was hired to anchor the initiative within the broader citizenry and to gain understanding of whether they would be committed to using a car-sharing service. Through various design workshops, the project team found that the idea for the new value propositions would be difficult to implement due to the existing culture and attitudes among potential subscribers:

People are not ready to be separate of their own car to go to work. Different tests and interviews show that people are ready to drive for others but not to leave their own car to use car-sharing. (Manager, Case 7)

This led to realizations that they had to work more with the attitudes and commitment among citizens, to change peoples' framing or perceptions of transport and travelling, which conventionally had been perceived as either a private concern ('I own and drive my own car') or a public concern ('I pay to be able to travel collectively'). The car-sharing system entailed a public-private hybrid approach to transport and travelling that enabled the use of private cars for a semi-collective transport service. Thus, changing peoples' perceptions, or 'frames in thought', was perceived as pivotal for the system to work.

Both cases (6 and 7) show examples of value propositions introduced on the basis of new framings in approaches to societal problems (public health among youth and transport/commute). However, the value propositions were not fully developed or implemented, which can be understood as rooted in inertia among users to adapt to the shifting frames. This can be discussed as a (re)framing failure (Lee 2020), but the cases also indicate how the shifting of frames underpinning introductions of new value propositions can take time and require negotiation and gradual experimentation with different and evolving frames (Bijl-Brouwer 2019).

### **Discussion and contribution**

Our study has explored value propositions in public services as configurations of resources that offer potential for future value creation (Skálén et al. 2015). We stressed at the same time that the common understanding of value propositions as promises is not suitable for understanding value propositions in the public sector as it connotes a commercial context with sales and purchases. Still, the basic argument of the value proposition concept remains relevant, namely that PSOs provide neither private nor public value (Moore 1995; Alford 2016)—they provide *potential* for value creation.

PSL research has so far largely departed from this reasoning as a premise and examined whether PSOs fail or succeed in efforts to facilitate users' value creation (Hardyman, Daunt, and Kitchener 2015; Hardyman, Kitchener, and Daunt 2019; Skarli 2021a, 2021b; Engen et al. 2021). Our research is positioned on the other side of the value creation process and addresses how PSOs seek to provide resource configuration to counteract shortcomings in existing service systems or respond to unmet citizen needs. We conceptualize this as creation or alterations of value propositions. Our cases show how value propositions are based on of a range of tangible and intangible resources such as materiality, technology, policies, legislation, mindsets, and practices. The study also points to how value propositions can differ in scale and complexity.

Next, drawing on insights and illustrations from multiple cases, we have endeavoured to show how these value propositions are created or altered. A common trait identified across the cases is that new or transformed value propositions typically entail different reframing processes, with three distinct types identified through the analysis.

First, reframing could underpin or evolve in parallel to the introduction of new servicescapes and might, as such, be embedded in socio-material processes (Kimbell 2011; Bitner 1992). This implies that the material or physical context for service provision changes, enabling the introduction of new kinds of value propositions. Second, reframing can involve transitions towards new kinds of organizational mindsets, understood as a set of collective attitudes. In these cases, the reframing processes involve gradual organizational transitions towards new ways of understanding the services and the users' interactions with the services, which foster new kinds of value propositions that reflect the shifting mindsets. Third, the analysis suggests that reframing can be about approaching societal problems through new framings. This

might require entirely new kinds of services to be introduced and involves experimentation with novel value propositions.

Although our analysis differentiates between three types of reframing processes, these categories intersect and overlap. Indeed, one case might involve reframing processes with shifting servicescapes, shifts in organizational mindsets, and new approaches to societal problems. The processes of reframing will also be mutually interconnected. However, separating between different kinds of reframing processes is analytically helpful, and the categories of reframing identified here have the potential to be expanded on and explored further.

### *Theoretical implications*

Case studies are not capable of capturing the full complexity at stake in the development of value propositions in public services, as these processes are entangled with policymaking, prioritization, and decisions at the top administrative levels, as well as activities within and across PSOs and through interactions with other stakeholders in broader service ecosystems (Eriksson et al. 2020; Trischler and Charles 2018; Petrescu 2019; Osborne et al. 2022; Kinder et al. 2022; Engen et al. 2021). However, case studies are still suitable for illuminating aspects of these complex processes and for unpacking key concepts within the emerging PSL framework (see for instance Osborne, Nasi, and Powell 2021; Osborne et al. 2022). Through this study, we have attempted to unpack the value proposition concept and explore how value propositions are created by drawing on the concept of framing/reframing. This has various theoretical implications for further PSL developments.

First, our study contributes to the PSL literature by shifting focus from the consumption stages of the value creation process to the production and design stages, which have gained less research attention (Eriksson et al. 2020), thereby contributing to

a more holistic understanding of mechanisms in the value creation processes in public services (Hodgkinson et al. 2017).

We contribute theoretically by introducing the concept of framing/reframing as a means for analysing how value propositions are introduced and possibly implemented. The strength of this concept is linked to its capacity to highlight how the introduction and development of value propositions are embedded in broader shifts in collective perceptions (frames). This adds to the literature because previous PSL research examining the development of new value propositions has treated this as an activity somewhat detached from broader organizational processes (Skálén et al. 2018; Trischler, Dietrich, and Rundle-Thiele 2019). Linking the creation of value propositions to framing and reframing enables a more comprehensive analysis of how changes in value propositions connect to broader organizational changes or perspectives.

According to Goffman (1974), framing forms a fundamental aspect of human cognition as it makes up the ‘filter’ through which humans perceive, interpret, and make sense of a myriad of phenomena in the world. The frames people apply are malleable and continuously changing as they are shaped by exposure to the various aspects of the external environment. Our cases show that the introduction of new value propositions involves efforts to critically examine, question, and challenge the framings underpinning existing value propositions, leading to experimentation and introduction of alternative ones. This shows that the introduction of new value propositions extends far beyond concrete ideation processes within a PSO (Skálén et al. 2018)—changes in value propositions also require negotiations and transitions of broader collective perceptions (frames) underpinning the service. This also implies that innovative value propositions tend to be created or altered in conjunction with broader transformations which span across organizational boundaries. This corresponds to understandings of

public sector innovation as changes that break with established practices and mindsets of an organization or organizational field (Hartley, Sørensen, and Torfing 2013; Hartley 2005).

### ***Practical implications***

The concepts of framing and reframing discussed and applied in the analysis in this paper provide practical means for guiding processes aiming to develop or alter value propositions in the public services.

First, identifying and challenging the framing underpinning a given service can foster creativity and enable explorations of alternative value propositions, as illustrated through the case studies. Working with framing and reframing processes can constitute an important first step in processes aiming to challenge and renew existing value propositions in diverse service settings.

Second, identifying and articulating the framing underpinning different value propositions can aid in understandings of conflicts and resistance to change, and it can help clarify the potential trade-offs involved in shifts towards new value propositions. The framing concept can also help in examining why efforts to introduce new value propositions fail, which can be caused by a lack of acceptance of alternative frames or as 'reframing failures' (Lee 2020).

Third, the paper offers directions as to how different design methods offer concrete support to the practical work of creating new and innovative value propositions, including framing or frame creation as a concrete design tool (Dorst 2015a, 2015b; Paton and Dorst 2011). Overall, the paper adds to the broader, ongoing interest in understanding how value perspectives can guide government strategies for addressing societal problems and to prepare for changing future scenarios in which the

issue of framing is highlighted as pivotal for grappling with the contested and conflicted nature of public services (OECD 2019).

### ***Limitations and further research***

Although we believe this research makes valuable contributions to further advance the research dialogues on PSL, it is also important to outline its associated limitations and avenues for further research.

First, our multiple case study provides only an empirical glimpse into aspects of how value propositions are developed and adapted to users' needs. Beyond the study of the differences and similarities across case contexts, the paper's weakness is its inability to capture and convey the concrete complexities involved in creating and implementing value propositions and how they span across government levels, sectors, and organizational units. Thus, to enable cumulative knowledge development on this topic in further research, we suggest a combination of research designs, including exploration in depth and over time through case studies and quantitative studies that can analyse how PSOs develop and implement new value propositions. An important avenue for future research is to study how value propositions are possibly created and coordinated through multi-actor arrangements or within broader service ecosystems (Petrescu 2019). This will enable analysis and better understanding of how to create more holistic and integrative public service systems, as well as why this is difficult to accomplish. This will foster timely integration of PSL with theories and research on collaborative governance (Eriksson et al. 2020; Osborne et al. 2022; Kinder et al. 2022) and connect the micro perspective on value creation which has dominated PSL to more systemic approaches (Trischler and Charles 2018).

Second, the interconnections between the PSL and framing presented here could draw further insights from the frameworks on framing developed through sociology and



the design literature (Goffman 1974; Lee 2020; Dorst 2015a, 2015b; Paton and Dorst 2011). Indeed, the concepts of framing and reframing could support greater understanding of contested views of what count as valid or appropriate framings, or in resistance to accept new framings (Lee 2020; Vermaas, Dorst, and Thurgood 2015). This will accommodate greater understanding of PSOs' ability to support users' value creation, which is central to PSL.

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*Appendix 1: Overview of case characteristics*

<b>Case</b>	<b>Context</b>	<b>Background/addressed problem(s)</b>	<b>Design methods/tools</b>	<b>Introduced value propositions</b>	<b>Implementation status</b>
1. Social security	The case is set in development processes of a new social security system in Scotland.	The Social Security (Scotland) Act 2018 established the framework for a new social security system, following the Scotland ACT 2016, which devolved powers over social security from the UK to the Scottish government. The new system aimed to mitigate negative impacts of changes and cuts to the social security systems under the UK government.	<ul style="list-style-type: none"> <li>- User research</li> <li>- User experience panels</li> <li>- Agile methods</li> <li>- Iterative cycles of service development, testing, and redesign (usability testing)</li> <li>- Collaborative working within multidisciplinary teams</li> </ul>	More accessible information on rights and benefit schemes, more automated service provision, and digitally accessible application forms for grants	New value propositions were implemented based on insights from comprehensive design processes and by following the principles of agile methods. The new value propositions were further developed based on feedback from users.
2. Labour and welfare services	The case focuses on the project 'simplified follow-up' set in the Norwegian Labour and Welfare Services (NAV). NAV is the result of a comprehensive welfare reform implemented in 2006.	Evaluation of the NAV reform showed that the reform failed to meet its main aims of strengthening the individually tailored counselling and follow-up of users with reduced capacity to work. The project was set up to remedy these deficiencies.	<ul style="list-style-type: none"> <li>- The double diamond process model</li> <li>- User journey mapping</li> <li>- Qualitative interviews with frontline employees (20) and end users/clients (16)</li> <li>- Insight work based on document studies of strategic documents and existing evaluations</li> </ul>	A digital activity plan with an integrated chat providing users with easier access to manage their own plan and to interact with their councillor	New value propositions were implemented based on insights from design processes focusing on users and frontline employees; the new value propositions were further developed based on feedback from users.
3. Library services in a rural setting	The case concerns the creation of a media library in a rural area in France. The case is set in a territory composed of 14 small rural communes with a population of 18,000. The area is remote and densely populated.	The library was constructed as a response to needs for access to cultural services locally, as well as needs for social meeting places. This resulted in the creation of a 'third-place' media library.	<ul style="list-style-type: none"> <li>3-week residency and fieldwork spread over 6 months (1 week every 2 months) with a multidisciplinary team from a designer agency.</li> <li>The fieldwork involved insight work to understand the context, territory, and local needs.</li> <li>- Questionnaire survey</li> <li>- Prototypes of services and equipment</li> </ul>	The library developed into a more versatile 'third place' than first expected, involving introduction of various new value propositions within the new premises: 1) a mini fab-lab, 2) a video game room, 3) a versatile auditorium, and 4) integration with other public services	New value propositions were implemented (and constructed) based on the involvement of citizens through design methods. The services were further developed based on the continuous involvement of citizens.

<p>4. Library services in an urban setting</p>	<p>The case deals with the creation of a neighbourhood library on the outskirts of a big city in Spain.</p>	<p>The project was initiated as a response to long-standing local demands for a library in the neighbourhood to ensure more equal access to cultural services. The neighbourhood is somewhat isolated from the city and lacks access to cultural services and facilities.</p>	<ul style="list-style-type: none"> <li>- Iterative cycles of service development, testing, and redesign (usability testing) involving citizens and the municipality, led by expert mentors in co-creation</li> <li>- Ideation workshops led by architects, engineers, and sociologists</li> <li>- Training sessions for collaborators</li> <li>- Special events to involve children, youth, and the elderly</li> <li>- Questionnaire survey</li> <li>- Prototypes of services and equipment</li> <li>- Reporting tools to grasp tangible and intangible outcomes</li> </ul>	<p>New library services including a surrounding garden</p>	<p>New value propositions were introduced and implemented based on design processes and further developed based on the continuous involvement of citizens.</p>
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5. Dementia care	The case is set in the construction and development processes of a 'dementia village' in a Norwegian municipality.	Dementia villages involve efforts to create more stimulating, healing, and safe environments for persons suffering from dementia. The concept focuses on creating homely rather than institutional atmospheres that are also associated with the implementation of new care philosophies. The construction of this village draws on inspiration from de Hogeweyk in the Netherlands.	<ul style="list-style-type: none"> <li>- Service safari</li> <li>- Qualitative interviews with potential end users, next of kin, and healthcare professionals</li> <li>- Ideation workshops</li> <li>- Design sprint (including prototyping and testing)</li> </ul>	The dementia village itself constitutes a new value proposition, but it also includes introduction of a range of new value propositions within this new arrangement, such as cultural activities, a grocery store, and new kinds of areas for leisure and activities	The new value propositions were implemented in the sense that the village was constructed and 'life in the village' was planned based on various design methods, but the village had not yet opened at the time of the data collection.
6. Public health in primary education	The case involves developing the curriculum for a health club, strengthening health education activities in primary schools in Hungary.	The pilot was financed from EU structural funds and was part of a broader and more complex national healthcare development project. The pilot project aimed at creating a curriculum for an 8-session health club that could be used by schoolteachers and school nurses to provide health development activities in a classroom setting for children and their parents at the same time.	<ul style="list-style-type: none"> <li>- Brainstorming at workshops</li> <li>- Test run (by teachers, school nurses, and curriculum developers from the university)</li> <li>- Pilot (evaluated by questionnaires and observation)</li> </ul>	A 'health club' with a supporting curriculum (workbook) offered for primary school students and their parents	The project was not sustained and did not scale beyond the pilot; thus, the initiative did not lead to the implementation of new value propositions. The initiative was perceived as too resource intensive to be sustained beyond the pilot.
7. Car sharing	The case is set in a village/suburb of an urban area in France experiencing challenges related to traffic and commute.	This project was a citizens' initiative motivated by diverse problems related to commuting, such as traffic jams, pollution, and limited and unreliable public transport. The case concerned efforts to create a car-sharing service as a response to these problems.	<ul style="list-style-type: none"> <li>- Designer agency</li> <li>- Ideation workshops with users (3 time periods)</li> <li>- Experiment and testing of the new service</li> </ul>	A car-sharing service and an app for administering the car-sharing system	The introduced value proposition remained at the ideation stage because the design processes revealed that the system would struggle to reach a necessary critical mass of participants who could make the car sharing viable.

*Appendix 2: Overview of data collection*

<b>Case</b>	<b>Data collection</b>
1. Social Security	Interviews with service designers (n = 3), senior managers (n = 4), middle managers, and analysts (n = 6) and analysis of government documents concerning design/service design (n = 3).
2. Labour and welfare services	Interviews with management involved in the design processes (n = 7), and interviews with end users (n = 3) and frontline employees (n = 9); observation of users and employees (n = 4); studies of project and policy documents (n = 14).
3. Library services in a rural setting	Interviews with the designers and consultants involved (n = 3), managers in the community of communes (n = 3), frontline employees (n = 1), and citizens (n = 2) and analysis of project documents (n = 3).
4. Library services in an urban setting	Interviews with public managers at different levels (n = 5), an external consultant/designer (n = 1), and a representative from the neighbourhood association (n = 1) and analysis of project documents (n = 6).
5. Dementia care	Interviews with managers (n = 7), frontline staff (n = 1), and users (n = 2); direct observation of design processes, such as a design sprint (5 days), workshops (n = 2), and meetings; analysis of project documents (n = 5).
6. Public health in primary education	Interviews with the provider side (n = 5), group interview with students, and analysis of project documents (n = 9).
7. Car sharing	Interviews with municipality councillors (n = 2), project team members (n = 2), designers/consultants (n = 2), and citizens (n = 3) and observations of meetings/workshops (n = 3).