Strategic Management, Public Value and Co-Creation in the Renewal of Public Agencies across Europe

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Abstract—**This is document present the work programme and results from the Horizon 2020 COGOV project. Here we introduce the key research questions of the project on the role of strategic management in co-creation. We then provide an overview the main findings arising from the project and provide a set of recommendations.**

Keywords: Co-creation, Strategic Management, Public Value

I. INTRODUCTION

The COGOV project aims to understand the transformation of European public administrations following post-managerial trends. These trends advocate for a move from bureaucratic organisations and de-emphasise efficiency and effectives to include a broader set of public value such as public legitimacy. The project's focus is on co-creation and the role of strategic management in implementing co-creation. This extended abstract present and defines the main concepts and results.

II. CO-CREATION

We define co-creation as the process through which two or more public and private actors attempt to solve a shared problem, challenge, or task through a constructive exchange of different kinds of knowledge, resources, competences, and ideas that enhance the production of public value in terms of visions, plans, policies, strategies, regulatory frameworks, or services [1]. This can either be through a continuous improvement of outputs or outcomes or through innovative step-changes that transform the understanding of the problem and leads to new ways of solving it. Co-creation is on the public sector agenda for three reasons [2]:

- The public sector is caught in a cross-pressure between growing expectations and scarce public resources;
- The public sector has a limited reach and needs to involve societal actors to solved wicked problems;
- The public sector produce its own distinct public value that many different actors can help produce.

While increasingly popular in contemporary public policy discourses, research shows that co-creation has not yet fully achieved its transformative impact. In this sense, co-creation is still in its infancy and needs to mature to achieve real impact.

III. RESEARCH PROBLEM

The COGOV project responds to the problem of how strategic management can best enable managers and professionals in the public sector to exploit the drivers - and overcome the barriers - to the co-creation of innovative public value outcomes at both organizational and project levels, and which lessons can be shared on undertaking strategically managed co-creation. A strategic management approach means that planning is linked with implementation on an ongoing basis [5]. Because of its long-term and organisation-wide approaches, strategic management support major organizational transitions towards co-creation.

IV. METHODS

COGOV's intent is to produce evidence to answer this policy problem by:

- Administering a survey across 6 national sites;
- Establishing an archive of innovative practices, based on 205 interviews in 15 case studies [6];
- Examining the co-creation of territorial cultural strategies in the UK and France;
- Implementing a design-experimental approach to co-creation in 5 countries to produce a 'CO-CREATOR' board game to aid policy learning;
- Identifying relevant skills for professionals engaged co-creation through focus groups;
- Developing an e-toolkit for managers to aid the development of co-creation.

V. FINDINGS

Our findings indicate that co-creation has several benefits as well as pitfalls, which nonetheless strategic management can help overcome.

A. Co-creation Balance Sheet

Co-creation has many advantages as it:

- Mobilizes experiences and resources of relevant and affected actors that enhance service quality;
- Strengthens social cohesion by bringing together diverse groups of citizens;
- Stimulates innovation and builds common ownership for new solutions;
- Enhances citizens' democratic influence at the output side of the political system.

When public authorities decide to implement co-creation, they should consider the following pitfalls:

- The co-destruction of value due to negligence, incompetence or the abuse of power;
- Arena capture, allowing access to powerful groups at the expense of marginalized groups;
- The stigmatization of citizens;
- Suppression of disagreement in the public pursuit of consensus and quick wins;
- Increasing public costs of facilitation and add-on services.

B. Emerging Lessons on Co-creation

Several lessons on co-creation have emerged:

- Irrespective of administrative traditions, co-creation is widely implemented across countries.
- The use of co-creation to explore new issues and unmet needs is increasingly more likely than to improve already existing services ('co-production').
- Public Value (with an emphasis on stakeholder engagement and improved service performance and satisfaction) as opposed to resources and capacity, is increasingly important in shaping the response of managers.
- Culture shift - managers/professionals need to learn to invite and accept (experiential) knowledge of clients and others - a challenging task, whereas clients and citizens are by definition seen as 'objects of care' rather than equal partners.

C. Emerging Lessons on Strategic Management

Our analysis of strategic management efforts indicates that successful co-creation is based upon the following elements:

- **Values:** A central part of the organizational vision
- **Leadership:** Embraced by leading managers, but infrequently by elected politicians
- **Platforms**: Underpinned by digital platforms but physical platforms are vital for building trust, spurring mutual learning and crafting new solutions
- **Roles and Perceptions**: Supported by a tentative and yet incomplete movement from traditional command and control leadership and management to a more facilitative forms of leadership and management that aims to empower employees and citizens to co-creation innovative public value outcomes.

VI. RECOMMENDATIONS FOR MANAGERS

Based on the findings, COGOV's recommendation are:

- Managers, politicians, and professionals should be aware that a hybrid/mixed approach to strategy may be beneficial when attempting co-creative or co-productive projects or services

- Greater attention needs to be paid to understanding the processes involved with co-creation and co-production outside of simple impact evaluations;
- Managers should set aside time and resources for training professionals in how to co-create;
- Politicians, professionals, and managers should be aware of the necessity of funding when beginning a co-creative project or service
- Ensure consistency and long-term planning. Despite experimentation, co-creation has suffered from the fragmentation caused by one-off and temporary initiatives.

VII. CONCLUSION AND FUTURE WORK

In the past, public and private organizations have focused on using their own money and employees to create results. In the future, platforms and arenas could be created that: enable relevant and affected actors to co-create public value; support these co-creation processes with new digital tools, institutional designs and forms of leadership; while government funding could be made conditional on adopting co-creation in key service areas.

In general, future research on co-creation should emphasize extensive and sustained empirical work including: longitudinally orientated case study work to track how traditional public agencies move to different co-creation approaches and large-scale quantitative research allowing for international benchmarking.

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