Public services and service innovation: A practice theory view

Per Skålén
Professor, Service Research Center, Karlstad University, Sweden and Inland University of Applied Sciences, Norway
https://orcid.org/0000-0002-2982-9651
per.skalen@kau.se

Abstract
Research under the heading of public service logic has recently advanced our understanding of public service and public service innovation. However, the focus on service, value-in-use, and the user’s benefit in this body of research means that what exactly public services are and what public service innovation is about remain unclear. This paper addresses this lacuna by drawing on practice theory and practice-theory-informed service management and marketing research. In doing so, public services are conceptualized in terms of public value cocreation practices (PVCPs), and public service innovation as the creation of PVCPs. The paper also offers a future research agenda for studying public services and public service innovation from the vantage point of PVCPs.

Keywords
Practice theory, public service logic, public services, public services innovation, value

Introduction
Public service innovation is a priority for both public management researchers and practitioners (Osborne & Brown, 2013; Rønning, 2021). Innovation has been generally understood as having a creative component that generates solutions to problems that materializes in the form of services, products, systems, or policies. However, to be considered an innovation, these solutions need to be diffused, accepted, and used in practice (Fuglsang, 2010). The public service innovation literature has been informed by research carried out in the private sector, where the market determines success, but this is not the case with public services. Rather, how well the publicness and common value for citizens, which is established by the democratic political process, is realized determines the success of public service innovation (Alford, 2016; Jørgensen & Bozeman, 2007; De Vries et al., 2016).

The extent to which public service innovations contribute to the realization of the publicness of public service provision can often be hard to determine in practice. However, Osborne (2013; see also Osborne & Brown 2011) has argued that an even greater problem is that the notion of services is unclear in public service innovation research and practice. In their discussion of public service innovation, Osborne and Brown (2011) have stated that “a final element missing from the public policy context for innovation … is an understanding of public services as ‘services’” (p. 1343). To address this shortcoming, Osborne (2013; see also Osborne & Brown 2011) adopted the established definition of services from service
management and marketing research thus suggesting that services are an output produced by organizations that have certain characteristics that goods lack. These characteristics include intangibility, heterogeneity, inseparability (of production and consumption), and perishability, which are together known as IHIP (Edvardsson et al., 2005; Zeithaml et al., 1985).

The adoption of the IHIP definition of services spurred a more general interest in service management and marketing research among public management researchers, which eventually led to the articulation of public service logic (PSL; see, e.g., Osborne, 2021; Osborne et al., 2013, 2021), which is a holistic framework for public service broadly defined. More specifically, PSL has been informed by research on service-dominant logic (SDL; see, e.g., Vargo & Lusch, 2016) and service logic (SL; see, e.g., Grönroos & Voima, 2013). Although these types of logic are somewhat different from one another, they share a focus on service (without an s at the end), or the value-in-use and benefit created for and cocreated with users and other beneficiaries (Skålén, 2018). Some researchers have been drawing on PSL, SDL, and SL to advance our understanding of public service innovation (see, e.g., Skålén et al., 2018). Specifically, this body of research suggests that public management research should not be informed by a goods logic that focuses on the innovation of services within public service organizations (PSOs), as has traditionally been the case (De Vries et al., 2016). Instead, public management research should approach innovation by focusing on the emergence of new forms of public service, value-in-use or benefitting created for and by citizens.

Despite these advances, it should be noted that SDL and SL reject the notion of defining services (with an s at the end) as an output produced by organizations (Skålén, 2018). In fact, the articulation of SDL (Vargo & Lusch, 2004) was motivated by a critique of the service management and marketing research that defined services on the basis of IHIP for advancing a goods-dominant logic centered on the production of goods and services within and for the benefit of firms. Yet PSL (see, e.g., Osborne, 2021) seeks to combine a definition of services along the lines of IHIP with a focus on service or the value-in-use created for and with users as advanced by SDL and SL, even though these positions are incommensurable. Hence, a paradoxical consequence of the influence of SDL and SL on public management research under the heading of PSL is that the basic problem noted by Osborne and Brown (2011) with respect to public service innovation remains unresolved, although it has morphed somewhat. In the current research on public service innovation, we lack an understanding of services that are true to the core tenants of SDL and SL.

However, as noted above, PSL has contributed to increasing our understanding of public service innovation. Therefore, it certainly makes sense to approach the management of the public sector from the vantage point of service, value-in-use, cocreation of value, and user benefit, as PSL does (Osborne, 2021; Osborne et al., 2013, 2021). Part of the problem is that the notions of logic, service, and value are abstract, while public service innovation is realized in practice (Fuglsang, 2010; Rønning, 2021). Citizens and PSOs talk about and experience concrete public services, and to them, public services do not appear as an abstract logic. Accordingly, they are asking for help with and advice about how the innovation of concrete public services can be done in the best possible way. Therefore, to understand and be able to guide public service innovation, we need to develop a notion of public services “as services” that resonates with the key insight of PSL that public service provision revolves around value and its creation and cocreation. By doing so, we can expand on the existing research on public service innovation by formulating a better understanding of the what that is innovated. By doing so, we can
also generate more concrete understandings of what public service innovation entails compared to the abstract idea that such innovation is about improving the value-in-use or the benefit of users.

In service management and marketing research, practice theory has been drawn on to understand services and service innovation (see, e.g., Edvardsson et al., 2012; McColl-Kennedy et al., 2012; Skålén & Gummerus, 2022). While this body of research elaborates on SDL and SL, it has yet to inform PSL. Rather than a formal theory, practice theory is an umbrella term for different types of approaches to studying concrete everyday practices (Nicolini, 2011). Practices are organized ways of doing things that individual (e.g., a citizen) and collective actors (e.g., a PSO) recursively perform to conduct concrete activities (Reckwitz, 2002; Schatzki, 1996; Shove et al., 2012). In the public sector, applying for public services is an example of a practice that involves citizens (who initiate the application), PSOs (that help citizens apply and review applications), courts (that handle appeals of outcomes of applications), and other actors. Service management and marketing researchers have particularly suggested that services can be understood from the vantage point of value cocreation practices (VCPs)—that is, practices designed to cocreate value (Kelleher et al., 2019; Lusch & Vargo, 2014; McColl-Kennedy et al., 2012; Skålén & Gummerus, 2022). Service management and marketing researchers have further argued that service innovation denotes the creation of VCPs by actors (Fuglsang & Sørensen, 2011; Skålén & Gummerus, 2022; Skålén et al., 2015a). However, to be able to elaborate on PSL studies of public service innovation, this research on practices in service management and marketing research needs to be developed in such a way that the publicness of VCPs is accounted for (De Vries et al., 2016).

Therefore, the aim of this paper is to conceptualize public services and public service innovation by drawing on general practice theory and practice theoretical service management and marketing research. In doing so, the paper contributes to prior research by outlining the notion of public value cocreation practices (PVCPs) and by suggesting that public service innovation denotes the creation of PVCPs. Hence, by drawing on practice theory, this paper contributes to theorizing public service innovation, which has been called for by De Vries et al. (2016), who found that many studies of public service innovation were undertheorized. The paper also outlines an agenda for future research on public services and public service innovation from a practice theory perspective. The paper can be considered as making a particular contribution to the scarce prior practice-theory-informed research on public service innovation (Fuglsang, 2010; Fuglsang & Sørensen, 2011) by focusing on the role of multiple actors in the innovation of PVCPs, rather than on the role of PSOs that has been emphasized previously.

The scope of the paper is limited to conceptualizing public services and public service innovation from the vantage point of practice theory. Therefore, it does not offer a review of prior literature on public services and public service innovation. For such reviews, see, for example, De Vries et al. (2016), Osborne (2021), Osborne and Brown (2013), and Rønning (2021).

The remainder of the paper is organized as follows: In the first section, practice theory is introduced. This is followed by two sections that develop the notion of public services as PVCPs and public service innovation as the creation of PVCPs, based on a review of relevant service management and marketing research. The paper ends by outlining an agenda for advancing research on public services and service innovation from a practice theory perspective.

As the paper contains many abbreviations, a list is provided here (see Table 1).
Table 1. List of abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICT</td>
<td>Information and Communication Technology</td>
</tr>
<tr>
<td>IHIP</td>
<td>Intangibility, Heterogeneity, Inseparability, Perishability</td>
</tr>
<tr>
<td>PSL</td>
<td>Public Service Logic</td>
</tr>
<tr>
<td>PSO</td>
<td>Public service organizations</td>
</tr>
<tr>
<td>PVCP</td>
<td>Public value cocreation practices</td>
</tr>
<tr>
<td>SDL</td>
<td>Service-Dominant Logic</td>
</tr>
<tr>
<td>SL</td>
<td>Service Logic</td>
</tr>
<tr>
<td>VCP</td>
<td>Value cocreation practices</td>
</tr>
</tbody>
</table>

**Practice theory**

Practice theory is not a formal theory with testable propositions and hypotheses. Rather, it is best understood as a family of different theories of social order and action with a common focus on practices (Nicolini, 2011; Reckwitz, 2002; Schatzki, 1996; Shove et al., 2012). To position practice theory within the social sciences, Reckwitz (2002) makes a distinction between three meta-theoretical complexes: economic theory, social theory, and cultural theory. Economic theory is based on the idea that action is a product of informed rational actors’ conscious and deliberate decisions, and that the social order is the sum of all these individual decisions. Social theory is based on the idea that actors act according to shared norms and values, which also constitutes the fabric of the social order. Practice theory belongs to cultural theory, which argues that a group of actors have constructed context-specific structures of knowledge and meaning or cultures that both enable and constrain the activities and cognitive processes of the individuals belonging to the group. For example, in certain PSOs, a culture has developed that suggests that citizens need to actively involve themselves in the realization of service. By gaining access to these specific constructed cultures of a group, researchers can understand why the actors belonging to the group act as they do and how their specific social order is constructed.

Reckwitz (2002) goes on to make a distinction between different types of cultural theories, of which practice theory is one. The common argument of practice theory is that locally constructed and shared structures of knowledge are embedded in actors’ practices—that is, in their recurring and organized activities, such as citizens applying for public services and PSOs granting them access to these services. It is this general position on practices that has been drawn on in practice theory-informed service management and marketing research (Kelleher et al., 2019; Lusch & Vargo, 2014; McColl-Kennedy et al., 2012; Skålén & Gummerus, 2022). More specifically, Reckwitz (2002) suggests that practices are:

> a routinized type of behavior… [for example] a way of cooking, of consuming, of working, of investigating, of taking care of oneself or of others, etc. – [practices] forms so to speak a “block” whose existence necessarily depends on the existence and specific interconnectedness of these elements, and which cannot be reduced to any one of these single elements. Likewise, a practice represents a pattern which can be filled out by a multitude of single and often unique actions reproducing the practice (a certain way of consuming goods can be filled out by plenty of actual acts of consumption). The single individual – as a bodily and mental agent – then acts as the “carrier” of a practice – and, in fact, of many different practices which need not be coordinated with one another. (p. 249)
Hence, Reckwitz suggests that practices consist of both routine frameworks of activities that are shared by multiple individuals and that span across time and space, as well as the actual performances of these activities by the actors that carry practices. This understanding of practices also resembles that of Schatzki (1996, 2002, 2019), whose ideas have particularly been drawn on in service management and marketing research. Schatzki (1996) defines a practice as a:

> temporally unfolding and spatially dispersed nexus of doings and sayings…. To say that the doings and sayings forming a practice constitute a nexus is to say that they are linked in certain ways. Three major avenues of linkage are involved: (1) through understandings… (2) through explicit rules… and (3) through… teleoaffective structures embracing ends, projects, tasks, purposes, beliefs, emotions, and moods… (p. 89)

Schatzki (1996) further adds that a “prominent notion of practice is that of performing an action or carrying out a practice” (p. 91). Hence, Schatzki makes a distinction between (1) practices as frameworks of or templates for an activity shared by multiple actors, and (2) practices as concrete activities performed by individuals. This understanding of practices is much in line with that offered by Reckwitz, as well as other extant practice theory works (see, e.g., Nicolini, 2011; Shove et al., 2012). Schatzki (1996, 2019), again in line with Reckwitz, further suggests that practices consist of certain elements. However, what elements practices consist of has been debated. In particular, there have been disagreements about whether materials should be considered inside or outside of practices. Schatzki locates them outside of practices (i.e., referring to arrangements of practices and materials) while suggesting that practices consist of three elements: understandings (knowledge and skills), formal and informal rules, and teleoaffective structures, such as emotionally charged goals or purposes (see Schau et al., 2009). Other influential practice theory scholars, such as Shove et al. (2012), place materials inside practices.

Regardless of the exact conceptualization of practices, actors have to commit to their elements to be able to perform them. For example, a citizen who applies for public services needs to follow the application rules and have knowledge about how to apply to access services. Furthermore, Schatzki (1996; 2019) argues that practices are bundled together, which is an important insight that has been carried over to service management and marketing research (see, e.g., Schau et al., 2009; Skålén et al., 2015a, 2015b) that will be further discussed below. Bundles of practices consist of practices linked closely together in coordination with one another. For example, applying for, granting, and consuming a public service, such as a social security allowance, are closely linked.

The next sections outline notions of public services and public service innovation based on the review of practice theory in this section and a review of practice-theory-informed service management and marketing research.

### Public services from a practice theory perspective

#### Practice-theory-informed research of services

Several service management and marketing researchers have drawn on practice theory to understand services, service, and value cocreation (see, e.g., Cabbidu et al., 2019; Edvardsson et al., 2012; Echeverri & Skålén, 2021; Kelleher et al., 2019; McColl-Kennedy et al., 2012; Schau et al., 2009; Skålén et al., 2015b). In their pioneering study, Schau et al. (2009) identified a set of value creation practices in the context of brand communities, which consists of consumers who are passionate about a brand. Another example can be
found in the work of McColl-Kennedy et al. (2012), who “turn to social practice theory as a compelling theoretical frame to identify the range of value cocreation practices ...” (p. 376). Skålén and Gummerus (2022) advance prior research by explicitly defining services as practices, or as “… bundles of tightly linked value cocreation practices (VCPs) ...” (p. 12), which is an important point of departure for this study. In their view, VCPs are intended to benefit the individual and collective actors involved in these practices in certain ways. It is important to note that VCPs, as with all types of practices, are shared and engaged in by a multitude of actors. They do not belong to a particular type of actor, such as a PSO.

To delineate the elements of VCPs, service management and marketing researchers (Echeverri & Skålén, 2011, 2021; Schau et al., 2009) have simplified Schatzki’s definition of elements of practices, suggesting that VCPs consist of understandings, procedures (rather than explicit rules), and engagements (rather than teleo-affective structures). In addition, Skålén and Gummerus (2022), following several practice theory scholars (Nicolini, 2011; Reckwitz, 2002; Shove et al., 2012), suggest that VCPs also consist of materials. Hence, VCPs consist of understandings (know-how and competences), procedures (implicit and explicit rules of any kind), engagements (emotionally charged goals), and materials (e.g., concrete things, but also technology).

Inspired by the work of Schatzki (2019), service management and marketing researchers have also identified different bundles of practices in general and bundles of VCPs in particular (see, e.g., Cabbidu et al., 2019; Echeverri & Skålén, 2011, 2021; McColl-Kennedy et al., 2012; Schau et al., 2009; Skålén et al., 2015a, 2015b; Skålén & Gummerus, 2022). For example, Schau et al. (2009) present four aggregates of practices that members of brand communities enact to cocreate value: “social networking,” “community engagement,” “brand use,” and “impression management.” In another key study, McColl-Kennedy et al. (2012) singled out five groupings of practices: “team management,” “insular controlling,” “partnering,” “pragmatic adapting,” and “passive compliance.” Hence, service management and marketing research suggests that VCPs are grouped into bundles of tightly linked VCPs that are intended to benefit individual and collective actors, with Skålén and Gummerus (2022) explicitly stating that such services are bundles of VCPs.

To further understand services as bundles of VCPs, Skålén and Gummerus (2022) make a distinction between generic and specific VCPs that are shared by multiple actors. Generic VCPs cut across and are common to all services in a specific context; in other words, they are the common anatomy of services. In a study of the digitalization of the Swedish music market, they identified four generic VCPs: producing (how services are being made), distributing (the movement of services from one place to another), exchanging (how consumers acquire services), and consuming (how people use services). Specific VCPs “… reflect time- and context-specific variants of the generic VCPs” (Skålén & Gummerus, 2022, p. 7). While generic VCPs are common to all services within a particular context, specific VCPs are unique to focal services and differentiate services from one another. Hence, according to Skålén and Gummerus (2022), producing, distributing, exchanging, and consuming can be done in different ways. For example, they show that distributing (a generic VCP) is done in three different ways (specific VCPs) that are particular to the services they identified: physical transferring (moving of records from one place to another), networked transferring (moving of digital music files from the memory of one computer to another), and platformed accessing (gaining access to music by clicking on songs on streaming services and internet-based platforms). Based on their analysis, Skålén and Gummerus (2022) define services in terms of bundles of specific VCPs that represent generic VCPs. They further
show, backed by general practice theory (see, e.g., Reckwitz, 2002; Schatzki, 2019), that individual and collective actors tend to reproduce services, meaning that they carry out services along the lines of established (specific) VCPs. This can be attributed to an unreflexive habit and because it is easier, convenient, and more socially acceptable to do so compared to acting in alternative ways. Hence, defining services as bundles of VCPs not only contributes to explaining what services are from a practice theory perspective, but it also explains how services are maintained over time.

Conceptualization of public services
The argument can be made that prior practice-theory-informed service management and marketing research can inform our conceptualization of public services. From this perspective, public services can be conceptualized as bundles of PVCPs in the form of reoccurring and organized value-creating activities performed by citizens and other public actors. More formally, public services are here defined as bundles of specific PVCPs that represent generic PVCPs, which themselves consist of understandings, procedures, engagements, and materials.

However, it is unclear how this definition accounts for the “publicness” of public services (De Vries et al., 2016; Jørgensen & Bozeman, 2007). In prior public management research, it has been argued that the “publicness” can be accounted for by attending to the notion of value (Alford, 2016). Importantly, a differentiation between public and private values has been made (Moore, 1995). Public value is defined as benefiting the society at large and as consumed or received collectively by the citizenry, whereas private value benefits users individually and is consumed individually by citizens (Alford, 2016). Private and public value can overlap in PVCPs: private value for a person can benefit society as a whole, and public value may induce private value. Therefore, public services or bundles of PVCPs, such as social insurance services, commonly benefit both the individual and society without any conflict. Other bundles of PVCPs, such as imprisonment and other negative public services, benefit society but not the users’ (i.e., the imprisoned) private value. In such instances in which private and public value come into conflict, public value overrides private value in public services. In addition, PVCPs cannot only induce private value, but also need to induce some public value. Hence, PVCPs—both specific and generic—always induce some public value and in situations when public value is in conflict with private value, the former dominates over the latter. PVCPs can thus be understood along the lines of Meynhardt’s (2019) understanding of public value, as particular types of practices contributing “… to the common good as experienced by society” (p. 6). From a practice theory perspective, the determination of public value is a function of the following elements of PVCPs: engagements (the shared goals of a society), understandings (the socialization and common knowledge generation processes within a society), procedures (laws and other rules of a society), and materials (concrete things and technology) that citizens are entitled to at a particular point in time.

Based on this reasoning of the public and private value of PVCPs, we can define public services in the following way: public services are bundles of specific PVCPs that represent generic PVCPs that consist of elements of understandings, procedures, engagements, and materials. This notion of public services resonates with PSL (Osborne, 2021; Osborne et al., 2013, 2021), as it focuses on the value or benefit that is created for and by users or actors more generally through the recurring activities that they are engaged in within the public domain. However, by focusing the analysis of this paper on the development of a nomenclature for studying the services that actors engage in, the result is an approach
that is more concretely focused on actors’ everyday experiences rather than abstract concepts, such as logic or value cocreation.

To exemplify the definition, social security services, such as parental leave, sick leave, personal assistance, and retirement, which are core to the public sector, will be referred to. Social security services are composed of common generic PVCPs, such as applying for and accessing services. However, specific PVCPs differentiate public services, as applying, for example, is done in particular ways by different forms being used, different information being required, and different IT systems being utilized for diverse social security services. Hence, different procedures, engagements, materials, and understandings characterize the specific PVCPs that constitute public services. However, all of them are designed to accomplish public value, for example, by contributing to reproducing society (parental leave) and not spreading diseases by going to work sick (sick leave), which is not to say that they do not also create private value.

In sum, practice theory may be drawn on to conceptualize public services, which is needed as a basis for conceptualizing public service innovation (Osborne & Brown, 2011), but in a way that is consistent with PSL (Osborne, 2021; Osborne et al., 2013, 2021), as was called for in the introduction to this paper. In the next section, we turn to conceptualizing public service innovation based on the notion of PVCP developed in this section and on a review of practice-theory-informed research on service innovation in the service management and marketing literature.

Service innovation from a practice theory perspective
Practice-theory-informed research on service innovation
Service innovation is a priority for service management and marketing research. However, only a limited number of studies have drawn on practice theory to study service innovation (see the review in Skålén & Gummesson, 2022). In public service innovation research, the role of practices and practice theory has not been emphasized (see reviews by De Vries et al., 2016; Osborne, 2013). However, Fuglsang and his colleagues (Fuglsang & Sørensen, 2011; Fuglsang, 2010) have made important contributions to the public service innovation literature by understanding innovations “…as continuously constituted in an evolving practice where problems are uncovered and responded to…” (Fuglsang, 2010, p. 72). In particular, public service innovation is discussed in terms of “bricolage,” meaning that “the service is put together during delivery following a do-it-yourself principle. Innovation is an emergent rather than an intentional activity” (p. 82).

However, the focus of prior service management and marketing research on the innovation of practices, both within the public and private sectors, has been on intra-organizational practices, which is inconsistent with the notion of public service ecosystems within PSL that suggests that service provision commonly depends on multiple collaborating actors (Osborne, 2021; Trischler and Charles, 2019). In addition, as has been pointed out above, practices are commonly shared and thus innovated by multiple actors (Schatzki, 2019; Shove et al., 2012). Hence, practice theory can help us to illuminate both how service innovation takes place as a part of everyday activities of actors and how different collectives of actors engage in service innovation.

The collective service innovation of practices among multiple actors has been attended to by service management and marketing research drawing on institutional theory (Aal et al., 2016; Baron et al., 2018; Koskela-Huotari et al., 2016; Kurtmollaiev et al., 2018; Lusch & Vargo, 2014; Vargo et al., 2015). This research suggests that service innovation is a process of institutionalization and focuses on how the institutions, which are made up of shared
norms, rules, meanings, and symbols, are created and changed by linked actors in service ecosystems. While these institutional-theory-informed studies have advanced our understanding of service innovation, the focus has been on how institutions and their content condition activities, rather than on the concrete practices that actors enact to act. For example, Baron et al. (2018), in their study of a food waste service ecosystem, emphasize how norms, rules, meanings, and symbols shape service innovation. While they also attend to practices, their work in this regard is not informed by a detailed conceptualization of practices and how they may be innovated based on practice theory, like the one offered in this paper. Therefore, an elaborate analysis of how practices themselves are changed or created is not offered by Baron et al. (2018). Hence, institutional theory-informed studies of service innovation do not offer a complete picture of how bundles of VCPs are created and changed as a part of everyday activities of actors.

In their recent work, Skålén and Gummerus (2022) addressed this lacuna by offering an understanding of how multiple actors innovate shared VCPs based on practice theory rather than institutional theory. They conceptualize “… service innovation as the creation of VCPs and bundles, which is achieved by multiple actors …” (p. 13). In particular, they show that service innovation is accomplished through elements of practices and what they call valancing. Hence, the role of elements of VCPs is only not to reproduce and maintain services, as was shown above in the section on practice-theory-informed research of services. Elements of VCPs are also used by actors to “conduct concrete activities that may contribute to creating new or modifying existing activity templates that prefigure future concrete activities. This creation of VCPs is key to the conceptualization of service innovation …” (Skålén & Gummerus, 2022, p. 12).

It may be helpful to remember that practices, such as VCPs, consist of both frameworks or templates for activities, as well as concrete activities, and that the elements constitute both these dimensions of practices. Hence, if elements of VCPs are enacted by actors to carry out activities in a way that deviates from the templates, the VCPs may change. In particular, actors commonly use the element of understandings to create new VCPs (Schatzki, 2019; Shove et al., 2012). For example, competences in information and communication technology (ICT) have contributed to the digital innovation of distributing services through digital platforms, with distributing representing a generic VCP forming a part of many services. In a similar vein, engagements (e.g., new goals), materials (e.g., computers), and procedures (e.g., laws) can contribute to actors innovating VCPs. Hence, elements of VCPs are used by multiple actors to create bundles of VCPs or services, which is the essence of service innovation from a practice theory perspective (Skålén & Gummerus, 2022).

Skålén and Gummerus (2022) also found that actors valance bundles of VCPs or services that drive service innovation. In general, to valance means to ascribe value to activities or things. With respect to service innovation, Skålén and Gummerus (2022) show that valancing implies actors ascribing different value to the range of services (i.e., bundles of VCPs) available for conducting activities and doing things. Hence, valancing is about comparing existing services in relation to one another and evaluating them with respect to their advantages and disadvantages. In this vein, Skålén and Gummerus (2022) further argued the following:

Actors’ valancing of VCPs contributes to service innovation in a market through the simultaneous cocreation and codestruction of services. Actors ascribe value to services by comparing how well the specific VCPs that are particular to services fulfill the role of the generic VCPs that all services in a market have in common. (p. 12)
This implies that actors contribute to creating or innovating the specific VCPs constituting the services they prefer by engaging or committing to these, while codestroying the specific VCPs of services they do not prefer, for example, by disengaging from or neglecting them. What specific VCPs actors prefer or do not prefer is determined by how well specific VCPs fulfill the role of generic VCPs that all services have in common, such as distributing or consuming.

For example, digitalization has informed a range of businesses, which implies that customers have compared new digital services with established analogical services. In the language of the practice theory view of service innovation advanced here, the digitalization of services has prompted customers to compare how well the specific VCPs of digital and analogous services fulfill the generic VCPs pertaining to producing, distributing, exchanging, and consuming, and quite commonly they have chosen the digital alternative. By doing so, service innovation ensues through cocreation of the digital VCPs that actors prefer and by facilitating the providers engaged in them (e.g., by providing them funds), while at the same time contributing to codestroying the less valued analogous VCPs and the providers that engage in them (e.g., by not supporting them).

In sum, practice-theory-informed service management and marketing research teaches us that service innovation denotes the creation of VCPs and their bundles, which is accomplished by actors drawing on elements of practices that are triggered by valancing.

Conceptualization of public service innovation
This paper suggests that prior practice-theory-informed research on service innovation can be drawn on to conceptualize public service innovation. However, we need to take into account the publicness of public service innovation (De Vries et al., 2016; Jørgensen & Bozeman, 2007). In particular, we need to keep in mind that public services are based on PVCPs, implying that they enable some kind of public value, as argued above. From a practice theory perspective, public service innovation is thus about the creation of generic and specific PVCPs through multiple actors’ engagement with elements of PVCPs triggered by valancing. The fact that elements of PVCPs not only contribute to reproducing public services (as was shown above) but may also contribute to innovating them resonates with the conditions in the public sector. For example, public sector actors’ understandings (knowledge and skills) may be drawn on to generate new ICT platforms that offer new ways of applying for public services.

The notion of valancing may be more challenging to apply to the public context because it presupposes the choice between at least two services that actors can compare and evaluate in relation to one another according to their advantages and disadvantages. However, public sector actors do not always have different public services to choose from. Nevertheless, in situations in which citizens can choose between different services, valancing can contribute to the analysis. In the public sector, marketization, which entails the creation of conditions under which public and private service providers can compete for customers under market-like conditions, has been a common measure for enforcing choice between public services for citizens in many countries (Bankel, 2021). In addition, initiatives such as service design and public service labs also operate on the basis of outlining different potential value propositions that citizens can be involved in testing, which implies that citizens valence value propositions in relation to one another. Hence, the notion of valancing can be applied to the analysis of public service innovation when there is a choice between real services, as is the case under conditions of marketization, or potential services, such as testing different value propositions in service labs (Rønning 2021).
The practice-theory-informed conceptualization advanced here generates an understanding of public service innovation that resonates with PSL and its focus on value-in-use, but it also provides a framework for focusing on what concrete value-creating activities or services that are actually innovated. This makes the analysis more concretely connected to the everyday practices/activities that citizens and other public actors engage in, compared to focusing solely on the value-in-use that is innovated. It also makes the conceptualization of public service innovation more consistent with SL and SDL (see, e.g., Grönroos & Voima, 2013; Vargo & Lusch, 2016) compared to prior PSL research on public service innovation (Skålén et al., 2018). The practice theory perspective developed here emphasizes that public service innovation has to do with the realized value for users rather than with creating or changing PSOs’ internal value propositions (Skålén et al., 2018) or service offerings (Osborne, 2021), the latter of which have been emphasized by prior PSL research.

To exemplify the practice-theory-informed conceptualization of public service innovation outlined here, the example of social security services will be returned to. Over the past 10 years, social security services have undergone extensive service innovation. In particular, digital application systems for social security services are now the norm in many countries. From a practice theory perspective, this public service innovation is a result of multiple actors having employed ICT-related elements of understandings and materials to create new PVCPs of applying for benefits, with applying being core to the bundle of PVCPs that together with other PVCPs constitute social security services. In addition, engagements, which comprise another element of PVCPs, in the form of visions for society articulated by political parties, have changed the eligibility to apply for social security services. For example, in Sweden, the engagement to increase equality between the sexes has led to one parent (usually the woman) not being able to apply for the entirety of the parental leave allowance any longer. Rather, the allowance must be shared between the parents, which is stipulated by law. Since a law is a type of procedure (or rule), which is yet another element of PVCPs, the example of social security services also shows that procedures are both created and used as resources as a part of public service innovation processes when these are approached from a practice theory perspective. Furthermore, it is likely that the innovation of social security services that allow for choice has been triggered by valancing. One case in point is personal assistance in Sweden (see Bankel, 2021), which has been turned into a quasi-market; the service is publicly financed, but private and public providers must compete for customers. Hence, customers can (at least in theory) compare the specific PVCPs of the different providers and may choose those that offer the best services, implying that the PVCPs of these preferred providers are being cocreated, while the PVCPs of their counterparts are being codestroyed by actors disengaging from or neglecting them. In sum, practice theory-informed service management and marketing research can help us to conceptualize public service innovation and understand new developments in the public realm.

**Research agenda for public services and service innovation**

The bulk of the studies that have used practice theory to offer insights into services and service innovation drawn on in this paper has been carried out within the private sector or has had the private sector in mind. However, some studies have been conducted within the public sector, showing that practice theory is also relevant to this context (Echeverri & Skålén, 2011; Fuglsang & Sørensen, 2011; Fuglsang, 2010). Based on practice-theory-informed studies of services and service innovation within service management and marketing research, this paper has offered new conceptualizations of public services and public service innovation by outlining the notion of PVCPs that future research can
draw on. Keeping in mind that the notion of PVCPs takes public value seriously, public services and public service innovation have been conceptualized in the following way:

- **Public services are bundles of specific PVCPs that represent generic PVCPs that consist of elements of understandings, procedures, engagements, and materials.**
- **Public service innovation denotes the creation of generic and specific PVCPs through multiple actors’ engagement with elements of PVCPs triggered by valancing.**

The appeal of using practice theory to understand public services is the notion that PVCPs and bundles are shared by all citizens rather than belonging to PSOs. Many actors contribute to their reproduction and innovation and need to be considered, but exactly how they do so needs to be further studied in a public sector context. In particular, the role of public value needs to be better understood. The generic and specific PVCPs that are associated with the public sector context also need to be investigated. In particular, the specific PVCPs are likely to vary with different contexts, as specific VCPs do for the private sector. Perhaps some of the generic VCPs that have been identified in prior research (Skålén & Gummerus, 2022) could resonate with the public sector context, such as producing and consuming, while others, like exchanging, perhaps may not be applicable. In addition, valancing and how it relates to public service innovation have to be attended to, as this notion presupposes choice between alternatives. Furthermore, it may be worth investigating whether there are any PVCPs or bundles of PVCPs that promote public service innovation more than others. Table 2 below presents an agenda for future research on public services and service innovation from a practice theory perspective.

### Table 2. Research Agenda

<table>
<thead>
<tr>
<th>Topics</th>
<th>Public services</th>
<th>Public service innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>PVCPs and elements</td>
<td>What defines and what is the anatomy of PVCPs?</td>
<td>Is it fruitful to understand public services from the perspective of PVCPs?</td>
</tr>
<tr>
<td></td>
<td>What is the relationship between public and private value in PVCPs? Do PVCPs consist of understandings, engagements, procedures and materials? Or are PVCPs characterized by other elements?</td>
<td>Are there any PVCPs that promote public service innovation more than others? If so: what characterizes these PVCPs?</td>
</tr>
<tr>
<td></td>
<td>What is the role of the state in designing the elements of PVCPs?</td>
<td>How do elements of PVCPs promote public service innovation?</td>
</tr>
<tr>
<td>Bundles of PVCPs</td>
<td>Are public services bundles of PVCPs?</td>
<td>Is there any element that triggers public service innovation more, compared to other elements?</td>
</tr>
<tr>
<td></td>
<td>What constitutes the link between different bundles of PVCPs?</td>
<td>How do multiple actors’ involvement in bundles of PVCPs promote public service innovation?</td>
</tr>
<tr>
<td></td>
<td>What does a map of bundles of PVCPs look like?</td>
<td>Is the power of some actors or institutions, such as the state and local governments, a more prevalent factor of service innovation in the public sector, compared to the private sector?</td>
</tr>
<tr>
<td></td>
<td>How can we understand public service ecosystems on the basis of bundles of PVCPs?</td>
<td>How do linked bundles of PVCPs in service ecosystems enable public service innovation?</td>
</tr>
<tr>
<td></td>
<td>Do any typical bundles of PVCPs exist across countries?</td>
<td></td>
</tr>
</tbody>
</table>

(Continued)
### Table 2. (Continued)

<table>
<thead>
<tr>
<th>Topics</th>
<th>Public services</th>
<th>Public service innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generic and specific PVCPs</td>
<td>What generic PVCPs is the public sector characterized by?</td>
<td>Are any generic or specific PVCPs associated with public service innovation?</td>
</tr>
<tr>
<td></td>
<td>Is there an overlap with the private sector or not?</td>
<td>Can any specific patterns in the creation of specific PVCPs be identified in the transformation of the public sector?</td>
</tr>
<tr>
<td></td>
<td>What kinds of specific PVCPs can be identified within different parts of the public sector?</td>
<td>What kind of specific PVCPs are associated with digital service or other types of service innovation in the public sector?</td>
</tr>
<tr>
<td></td>
<td>Are public services made up of specific PVCPs at all?</td>
<td></td>
</tr>
<tr>
<td>Valancing</td>
<td>Do actors valance PVCPs? If so: what do they valance?</td>
<td>Does valancing of PVCPs trigger public service innovation?</td>
</tr>
<tr>
<td></td>
<td>What is the relationship between generic and specific in valancing of PVCPs?</td>
<td>Does valancing of potential PVCPs developed within, e.g., service design processes, trigger service innovation?</td>
</tr>
<tr>
<td></td>
<td>Do actors valance PVCPs based on the same elements – e.g., understandings,</td>
<td>How does valancing contribute to the process of public service innovation?</td>
</tr>
<tr>
<td></td>
<td>engagements, procedures and materials – as previous research suggests? Or are</td>
<td></td>
</tr>
<tr>
<td></td>
<td>any other elements valanced?</td>
<td>Does the valancing of public and private value induce different types of innovation</td>
</tr>
<tr>
<td></td>
<td>Is one element dominating over other elements in valancing?</td>
<td>processes?</td>
</tr>
</tbody>
</table>

### Conclusion

In conclusion, this paper advances alternative notions of public services and public service innovation based on practice theory in a way that resonates with PSL (Osborne, 2021; Osborne et al., 2013, 2021), which was called for in the introduction. In particular, the paper has shown that public services can be understood along the lines of bundles of PVCPs, which advances the current understanding of public services in PSL that partly relies on the dated IHIP conceptualization (Osborne, 2021). The paper has also contributed to the further theorization of public service innovation, as called for by De Vries et al. (2016), by drawing on practice theory to suggest that public service innovation denotes the creation of PVCPs. The main limitation of the present study is that it is based on a review of service management and marketing research mostly conducted in private sector contexts. Therefore, it is important to explore the research questions specified in Table 2 to determine the actual relevance of the conceptualizations of public service and public service innovation presented in this paper.

### Acknowledgement

The author of this paper would like to acknowledge the comments on a prior version by Rolf Rønning and Marit Engen, both based at Inland University of Applied Sciences, Norway. The author would also like to thank the editor of the *Nordic Journal of Innovation in the Public Sector*, Asbjørn Røiseland, for the kind invitation to contribute to the journal’s inaugural issue, as well as the associate editor, Toril Ringholm, and the anonymous reviewers for valuable comments on previous versions of this manuscript.
References


Schau, H. J., Muñiz Jr., A. M., & Arnould, E. J. (2009). How brand community practices create value. *Journal of Marketing, 73*(5), 30–51. [https://doi.org/10.1509/jmkg.73.5.30](https://doi.org/10.1509/jmkg.73.5.30)


