

**Author:**

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**Tentative working title of thesis:**

The influence of service characteristics of health and social services in service delivery and make-or-buy decisions: Insights from Finnish wellbeing services counties

**Research problem:**

This research examines how different service characteristics of health and social services affect service delivery and make-or-buy decisions. The study explores which of the characteristics are most relevant in the context of Finnish wellbeing services counties.

**Research questions:**

1. What service characteristics have an impact on the service delivery choices for health and social services?
2. Which are the most relevant service characteristics of health and social services that should be included in a make-or-buy decision?

**Aims of the study:**

The primary objective of this thesis is to investigate which service characteristics can affect service delivery of health and social services and which of those characteristics are most relevant and therefore should be included in a make-or-buy decision. The theoretical study aims to define key concepts and gather information on relevant characteristics for health and social services, public procurement of health and social services and make-or-buy decisions from existing literature. The empirical study aims to investigate which service characteristics are seen as most relevant and how they can affect make-or-buy decisions for health and social services. The research attempts to provide insight for service characteristics evaluation, which could further improve the make-or-buy decision practices of health and social services in Finnish wellbeing services counties.

**Earlier research:**

In previous literature, often mentioned service characteristics are asset specificity, task uncertainty, task interdependence, and output measurability (Ditillo et al., 2015).

However, many more characteristics can affect service delivery. Service characteristics can have a great impact on sourcing decisions from both an economic and an organisational perspective (Hefetz and Warner, 2012). This includes the decision of making the service in-house or contracting it. In earlier research, there has been an extensive discussion of make-or-buy decisions in the public sector. For example, governmental make-or-buy decisions have frequently been viewed from the perspective of Transaction Cost Economics theory (Johansson, 2015). TCE theory is a useful framework for analysing service delivery, but there are also other applicable frameworks (Rodrigues, Tavares and Araujo, 2012; Batley and Mcloughlin, 2015). Overall, the discussion regarding services supply chain and outsourcing services has also been explored for an extended period of time. For example, some notable and frequently cited authors include Wendy Tate and Lisa Ellram. They have published together articles regarding outsourcing professional services and services supply chains (Ellram, Tate and Billington, 2004; 2008). Recently, they have also published a handbook including different purchasing and supply chain management theories, which also includes Transaction Cost Economics (Tate, Ellram and Bals, 2022).

### **Motivation behind the thesis topic:**

Due to the variety and complexity of different service characteristics, it is beneficial to examine which of these characteristics could affect service delivery and make-or-buy decisions and which are the most relevant for health and social services. The Finnish health and social care system has recently gone through a large reform, as starting from the beginning of 2023, wellbeing services counties have been responsible for organizing healthcare, social welfare and rescue services, which were previously organized by municipalities (Ministry of Social Affairs and Health, 2024). Thus, these topics have not yet been explored so extensively from the perspective of wellbeing services counties and the reform has given a new perspective for the research of service characteristics and service delivery of health and social services. Especially now that wellbeing services counties are struggling to balance their budgets (Finnish Institute for Health and Welfare, 2024; Yle, 2024), more research on the role of service characteristics in service delivery and make-or-buy decisions should be conducted.

By conducting this research, wellbeing services counties can gain new information of which service characteristics are most relevant for them when planning their health

and social service delivery and executing make-or-buy decisions. This could potentially lead to more cost-effective and improved decision-making processes, refine service delivery and make-or-buy criteria, and enhance service quality. From an academic perspective, this study could contribute to the existing knowledge of service characteristics of health and social services and how they can affect make-or-buy decisions in procurement. From a societal perspective, improved understanding of service characteristics and how they can affect the delivery of health and social services can lead to better quality and more satisfactory public services. In addition, policymakers could gain more information for developing the policies regulating public procurement. Overall, this study could contribute to making health and social service delivery more viable, which would be beneficial for many stakeholders.

### **Research methodology:**

Primary data will be gathered from semi-structured interviews with wellbeing services county representatives. Secondary data will include academic sources, such as articles, service and public procurement handbooks and laws regulating public procurement in Finland.

### **Structure of the thesis:**

#### 1. Introduction

- An overview of the background and motivation
- Explaining research problem, questions and objectives
- Structure of the thesis

#### 2. Literature Review

- Earlier research of the relevant topics, e.g. public procurement, health and social services, service characteristics, make-or-buy decisions
- Theoretical Framework

#### 3. Methodology

- Research design (qualitative), data collection methods (existing data, interviews), data analysis methods (thematic analysis)
- Ethics

#### 4. Findings

- In-depth exploration of key concepts based on interviews

#### 5. Discussion and Analysis

- Interpreting findings
- Comparing findings to earlier research

## 6. Conclusions

- Summary of key findings and implications
- Limitations
- Future research

## References

### Appendices

- Interview transcripts

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