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OUTSOURCING CORPORATE ECONOMIC ACTIVITIES AND ITS IMPACT ON BUSINESS ETHICS

Abstract: Globalization is a process in which people, commerce, investments, information or markets overstep boundaries of a single state. Limitations get eliminated in successive steps. Globalization is not only increasing a goods trade process and transfer of industrial production to less expensive countries but it also comes with a dynamic development of tradable service sector. Current development of economic environment in global economy is impacting a whole scale of risks that affect the internal and external environment of each enterprise. In order to keep the company competitive it must learn how to identify and manage all risks that affect the prosperity and effectiveness of all of its activities. The development of the business environment has resulted in building business service centres. Shared services centres (SSC) are the entities responsible for execution and handling of specific operational tasks, such as accounting, human resources, payroll, IT, legal, compliance, purchasing and safety at work. Every entity process is reflected and executed in accounting. Accounting produces important information useful for various users at various decision making levels. The extent of accounting information usefulness for decision making is critically dependant on typology of users and their information needs. The quality of running accounting highly depends also on requirements for reporting information for control processes inside the enterprise and also for the effort to present itself through a transparent balance sheet. Requirements of enterprises resulted in SSC reworking routine operational activities for intellectually demanding functions with higher demands on professional skills and experience. SSC´s effort is to make processes more flexible and cut the financial costs with one of trends being e.g. digitalization of paper documents which optimize and markedly increase the effectiveness of working with documents. When digitalizing documents each person has to take legal requirements of a specific country into his or her account. That refers to Accounting Act, Value Added Tax Act, Archives and Registries Act or to directives and other regulations of the European Parliament and the Council of the EU.
This paper explores benefits and risks of shared services centres as a part of corporate financial management. Benefits and risks have been studied in a specific multinational company. The analysis focused on trade liabilities (purchases of inputs from suppliers), including documents digitalization and an entire process of handling it in accounting.
The aim of this article is to examine also the ethical aspect of globalization and its influence on information and communication technologies where data exchange is present. The protection of information and know-how is getting more and more difficult in our current technical world. Cooperation of an enterprise with SSC requires clear rules and processes for handling data, setting communication and competence models as well as for processes of control and management. And this is a huge space for setting ethical cooperation standards. Enterprises and SSC are represented by people. Their moral behaviour and integrity can influence the cooperation to a significant extent. This is the place to set ethical tools of control for building the culture and ethical behaviour of employees within the enterprise as an important factor of mutual trust, respectability and correctitude.
Keywords: Globalization, Cooperation, Shared Services Centres, Digitalizing and Archiving Documents, Ethical Behaviour, Ethical Tools.

1. INTRODUCTION

Globalization is a process in which whether man, trade, investment, information or market crosses the border of one state and gradually phases out the related restrictions. Globalization thus does not only increase trade in goods, products and shifting manufacturing to lower-cost countries, but also brings a dynamic development of the sector of tradable services (Hanousek, Kočenda, Shamshur, 2014). In the second half of the eighties of last century multinational corporations began to establish first shared services centre in Europe. Shared Services Centre carries out specific internal processes aimed at reducing costs (such as financial services and accounting, IT support services in human resources) to support key activities of parent companies and subsidiaries or affiliates. Shared services centres have undergone their natural evolution, and gradually become an important segment, which forms an indispensable part of their parent company (Balog, 2016).

The article examines both benefits and risks of outsourcing corporate activities that are either carried out within a group of enterprises where the founder is a parent company or are outsourced to external and economically independent providers. Benefits and risks have been examined in a particular multinational corporation and with a particular focus on business engagements (i.e. inputs purchases from a wide range of suppliers). In this respect, the degree of digitization of documents and the entire process of accounting has been examined. The article also emphasizes the ethical aspect of globalization and its impact on information and communication technologies through which data is exchanged between the recipient and the provider of these services. The process of communication and cooperation cannot work unless it is based on mutual trust, seriousness and correctness. And this is a huge space for setting ethical cooperation standards.

2. METHODOLOGY

The methodology was used to analyze the sources and data on outsourcing and to develop the shared centres services in Slovakia. Information and data were collected over a 5-year period. The findings have been synthesized so that they can then be used to examine data in a particular multinational corporation. Subsequently, an assessment of the benefits and risks in the transnational company under review has been carried out, namely in the process of processing the commitments, so that the deduction and synthesis method could be used in formulating the conclusions and our findings.

3. EFFECTS OF OUTSOURCING ECONOMIC ACTIVITIES

One of the major tendencies of the current economic environment are the frequent and rapid changes in economic and technical conditions, which put increasing demands on company's ability and ability to respond. The emphasis on information is emphasized, with the need for the latest ICT and communication technologies to be applied, applying the most effective technology and workflows. Only companies that are aware of the importance of basic developmental trends in today's economic reality are able to succeed in competition. In addition, these entities must be able to meet those claims at a lower level of total costs. M. F. Greaver (1999) defines outsourcing as an act that transfers some, in-company, repetitive, internal activities and decision-making powers to an external provider based on a contractual underpinning of the whole operation. Domberger, S. (1998) emphasizes that it is not just a transfer of activities, but often also a transfer of production factors and decision-making powers.

Outsourcing enables businesses to concentrate on so called core business. Outsourcing appears to be a suitable tool in this respect, the use of which will provide the enterprise with the necessary flexibility and the lower cost of operating its activities, as well as the opportunity to acquire innovative services with higher added value. For the enterprise that transfers part of the economic activity, it benefits in particular the lower consumption of inputs needed to ensure outsourced processes, higher specialization and the quality of the delivered service, often associated with other synergy effects, for example with the mutual cooperation of partner entities. This is particularly the case when a founder of an outsourcing company for certain services is a parent and these services are used within the group of companies (the consolidation group). The realization of the benefits associated with outsourcing gains importance especially in the context of its use beyond the home country when the enterprise is able to exploit the specific advantages of the economic system of the foreign country. This has led to the phasing out of a separate form of outsourcing and the emergence of offshoring. Outsourcing and offshoring often interfere despite important technical differences. Outsourcing operates on the basis of a contractual relationship between the recipient and service provider, which may or may not include the form of offshoring. Offshoring is the transfer of an organizational unit into another country, regardless of whether the service is outsourced or is still managed by the parent company. Offshoring refers to the reallocation of activities to the territory of another country, and in the broadest sense it represents international subcontracting. Offshoring carried out by branches within the same group of undertakings must meet certain characteristics as it states Dvořáček a Tyl (2010).

The areas of outsourcing are expanding with increasing competition in global markets. Classical outsourced areas such as IT, accounting processes, or human resources have still been experiencing new areas of activity that is no longer just a supportive activity. With the development of outsourcing, it focuses more on strategic areas and processes, with emphasis being placed on the quality of the relationship between the supplier and the recipient. Ultimately, the development of outsourcing also duplicates the global tendency to exploit the benefits of forming strategic partnerships. Ethical aspect of globalization and its impact on information and communication technologies through which data are exchanged should also be taken into the account. The protection of information and know-how is a key to the company and a highly demanding area of security and data protection in today's technical world. Business collaboration and SSC require contractual settings with clear rules to proceed with data processing, adjustments of communication competency models as well as management control processes. All these attributes have an indisputable ethical character that requires added value in the form of reliability, credibility, reliability and loyalty in the conduct and behaviour of both parties.

3.1. Shared services centres and digitizing documents in Slovakia

The first shared services centres of multinational corporations in Slovakia were established 15 years ago, when these multinational corporations started to move their "back-office" activities of their Western Central to Eastern Europe. In Slovakia, there are already own operational centres, as transnational corporations such as IBM, Dell, Hewlett-Packard, Accenture, Lenovo, AT & T, NESS and others.

They are mainly subsidiaries of multinational corporations, whose pressure on profitability and the need to increase the efficiency of processes have led to the centralization of their activities in locations outside their headquarters and production base. The purpose of multinational corporations is to ensure that the routine transaction process is identical across all organizational components, thereby avoiding different work efficiencies, different processing times for individual transactions and also different (non) quality. For transnational corporations, there is no reasonable reason why the process of processing the same transactions cannot be identical throughout the world, i.e. identical. When buying a car they think, it only depends on each customer, what a brand, model, equipment, special requirements and price to choose. Cars with a purchase price of 5 and 55,000 € still have the same standardized functionality. Standardized processes are the basis of an efficient model. The efficient model is simple.

In its early days they were mainly devoted to finance and accounting, and performed only simple transactions, operational and routine activities without much value added (Tumpach, Baštincová, 2014). But they have gradually redesigned to intellectually demanding functions with higher demands for professional skills and experience. Comprehensive activities, processes and not least so called property in the standardization processes have been centralized in shared services centres.

Transfer of processes outside their home country helps multinational corporations to increase their competitiveness, especially in cost savings and the effectiveness of each activity. The attractive "off-shore" locations are India, Philippines, China, Costa Rica, Brazil, Mexico and others. In Europe the most attractive countries include Ireland, Poland, the Czech Republic but also Slovakia (PwC 2016).

Investors choose Slovakia especially for low wage costs, educated, flexible and linguistically equipped workforce with good work habits, the location and level of infrastructure development and not least for the stable political environment.

Currently, SSCs provide more and more sophisticated services to their clients (Business Service Centre Forum, 2015). In particular, with the development of technologies, a number of activities are fully automated, which reduces the share of manual labour also in the activities carried out in the centre of shared services. SSC strives to streamline processes and save costs, and one of these trends is, for example, the digitization of paper documents that optimize and greatly increase the efficiency of working with documents. Documents digitization is a major contemporary trend, a phenomenon, and is the conversion of a paper document into an electronic one. The goal of digitization, with the help of modern technologies, is to free the office papers, while minimizing the costs of printing, processing and archiving. The word "save energy, save time, save money, save space" is often used as the synonym of the word digitization. The benefits of digitization in business are mainly:

1. ecological aspect - documents archiving is a necessary requirement of Slovak legislation, creating enormous space requirements and printing all necessary documents. Documents digitalization results in the elimination of claims for the printing of documents and the generation of waste from them;
2. simple archiving - elimination of costs incurred on archive cabinets within an internal archive space or externally paid archive. An electronic solution and a digital archive provide more space that can be expanded at any time for further needs. Another advantage is the ability to work in cloud storage. The current range of applications ranges from office applications, distributed computing systems to browser operating systems such as eyeOS, Cloud or iCloud;

3. connectivity - enables you to be in touch with documents, have instant access to virtually anywhere to current as well as archived documents. Thanks to digitization, it provides clarity and speed of searching and access via a web application;
4. availability - is closely related to the cloud. Through the cloud, digitized documents can be searched, archived, altered, and shared, anytime, anywhere, with the only condition of accessing the Internet.

We must not forget about the legislation and the requirements linked to the documents digitalization. Primarily it depends on which types of documents will be digitized. In terms of archiving, the enterprise is required to comply with Act No. 395/2002 Coll. archives and registers, as well as a regulation of the Ministry of Finance SR 275/2014 on guaranteed conversion, which establishes the electronic document formats that can be used for the purpose of guaranteed conversion and how to create them. If an enterprise digitizes documents from the field of accounting, it must also comply with Act No. 431/2002 Coll. on Accounting and Act No. 222/2004 Coll. on value added tax. A key is mainly the security of the whole solution.

Guaranteed conversion is regulated in law No. 305/2013 Coll. on the electronic form of execution of powers of the public authorities (e-Government Act). Guaranteed conversion is a process in which the entire, is normally sensible, information content of the original:

- an electronic document transformed into a new document in paper form,
- a document in a paper form transformed into a new electronic document,
- an electronic document transformed into a new electronic document that has a different format than the original electronic document, provided that this conversion is performed by the process of guaranteed conversion by the person authorized to do so.

With a guaranteed conversion, the content of the original document is transformed into a new document. The security features of the newly created document must provide the same or higher level of safeguards that provide the security features of the original document. The guaranteed conversion can only be performed by eligible persons under the eGovernment Act: public authority, notary or universal service provider. If it is not a conversion of a public act, it can also be done by a lawyer.

3.2. Benefits and risks of outsourcing economic activities

Shared services centres provide their activities mostly with founding so called parent company and other entities within the organizational structure of multinational corporations. These services are usually provided across regions such as Europe, Middle East and Africa, Asia, Pacific and the regions of North and Latin America. The structure and organization of the services and processes depend on the needs of the parent company and the market demand in the country. For example, there is an international trading company XY which actually operates in 10 countries around the world. In each of them it has its branch which among other things employs people in charge of accounting. Some branches are so small that they only employ part-time accountants, which may cause considerable problems with substitutability of their employees. Despite the fact that the parent company is trying to establish uniform rules of accounting for all branches, each branch can be adapted to them with respect to the local (national) legislation. So there are branches where the rules are respected but also branches where the rules are complied only in part, and vice versa affiliates that you introduce even stricter rules than the one requested by the parent company. This creates a broad spectrum of risks arising from compliance with global versus local rules. If the parent company decides to create a shared services centre and therefore share accounting as one of the main processes, it will mean that accounting for all branches will be centralized in one place in the selected country. This step can bring a number of benefits for the parent company but also a number of disadvantages in relation to the provision of quality information from all branches, their timeliness, accessibility, clarity and completeness.

Shared services centres, based on the so called SLA (Service Level Agreement), guarantee services in the required quality, scope, based on the specific needs and requirements of the parent company. On the other hand, the parent company can also encounter a number of problems especially if the SLA is not sufficiently implemented in practice. The main reason is the lack of setting core values (e.g. establishment of the order to each invoice or timely payment of invoices), the lack of defined processes (e.g. regular cleaning of the balance of advance payments) and the lack of involvement of human resources (e.g. unskilled labour for certain professions). This increases some of the major types of business risks:

- strategic risk (i.e. inability to respond flexibly to market requirements, the high competition in the field of business, mergers, acquisitions),
- operational risk (e.g. the quality of service, information technology, changes in legislation, natural disasters),
- financial risk (e.g. liquidity, profitability, credit, cost) and
- non-compliance risk (e.g. different fiscal policy and financial legislation). The result of non-compliance risk can be a financial transaction (conducted in any country under the same rules and the same way), but without

taking into account local regulatory requirements, as it is processed in standardized manner, according to the rules of the concern.

These risks affect the quality and comparability of the information presented in the financial statements as well as overall corporate business. Eliminating and managing those risks is a complex process that requires high-quality and timely information, sophisticated methods and techniques, as individual risks are closely intertwined.

The advantage of shared services centres is primarily a saving of personnel costs, including job costs and necessary overhead costs. Cutting costs is considered the most sophisticated advantage. Another advantage is that shared services centre is easier to solve the problem of representation and training of employees. Productivity of labour and specialization of activities in shared services centres is high; also flexibility in the system and automatic setup of reporting is the usual standard. The advantage is also uniform, enterprise-wide system platform i.e. the same ERP system (Enterprise Resource Planning) and optimization of processes that can be provided with fewer employees in a predefined standard quality. Dividing the process into smaller units can achieve greater automation, timely processing and in particular the elimination of human errors. Since the entire process is centralized, shared services centres provide the same quality of services supplied to all branches without limitation of localization. Another advantage is also easier control and setting the process. In the absence of broader responsibility for the whole process, it is possible to employ a less skilled workforce that is able to learn and serve their narrowly defined scope of work (routine) due to standardized processes and outputs.

On the other hand, as the gaps of shared services centres, we can identify reduced qualification requirements for personnel as it is not necessary to master accounting and tax issues because they only routinely select an item from a preset systems and databases using manual of individual activities. This increases the risk of errors of assessment mainly tax and non-tax expenses for the determination of income, which may have the effect of reducing the quality of information presented in the financial statements and business tax return. Reduced qualification requirements of employees (e.g. accountants) can be negatively reflected in their inability to flexibly and competently identify and then deal with unusual situations that are found in every business. Risk fulfilment can mean significant financial losses for the parent company if the employee is not able to properly assess and deal with the situation in all mutual relations. Another disadvantage is that standardized processes have been defined primarily for the needs of multinational corporations (parent company). Standardization itself is the narrowing of the space for flexibility and ad hoc requirements. The absence of comprehensive knowledge and skills, due to the narrow specialization calls for the compensation of so called coordinators with a broader "end to end" knowledge and can successfully response for the quality of the output and the satisfaction of a global corporation. (Bódi, 2014). From individual branches it requires increased discipline and rigor in the supply of inputs because inaccuracies or incomplete entries may not be properly recognized and processed and thus information presented in the financial statements of the parent company may be distorted. Finally, the numbers of processes centralized into shared services centres have the interaction with the external world, and therefore communication is necessary in a non local language, thereby increasing the incidence of some of these commercial risks.

Within a wide range of outsourcing applications, accounting processes are one of the areas in which outsourcing is a very common form of securing them. However, the undeniable benefits associated with the use of outsourcing in this area are, on the other hand, associated with significant risks due to confidentiality and the importance of the data being processed. Here, ethics can be helpful in a significant way, resp. the ethical management that an enterprise applies to economic processes through ethical tools. The most common ethical tool is to create a corporate ethical code where an enterprise sets out rules of ethical behaviour towards all its stakeholders.

3.3. Analysis of document processing in a multinational company

Current development and globalization trends in economy and finance have an effect of increasing the level of risk that affect internal and external environment of each company. A degree of risk also arises in shared services centres which are particularly established by transnational corporations. If any multinational corporation decides to establish a shared services centre, and thus share accounting as one of the main processes, it must realize that this step may bring its affiliates many advantages but also many disadvantages including in relation to the provision of quality information, timeliness, accessibility, clarity and completeness. A national corporation and its subsidiaries must therefore learn to identify and manage all risks that affect the prosperity and effectiveness of all its activities. An instrument to counter this trend is the implementation of effective risk management, internal control system, and internal audit to achieve integrated management of business risks. In order for this strategy to be successful it is necessary to build a quality information entity system, establish control mechanisms using modern IT technology and comprehensive processing of personal data protection as well as protection of corporate data and know-how.

Analysis of the benefits and risk has been carried out on a particular multinational company XY (service recipient), where the area of commitments has been investigated, namely trade payables. XY multinational company performs this liability system throughout consortium in the accounting software SAP, which is one of ERP system.

The aim of the multinational corporation was to ensure that the vendor invoice process was identical across all entities group. Therefore, firstly the corporation has developed and described all steps of vendor invoice process. The process starts with an invoice receipt (either paper or electronic), continues with scanning, uploading invoice information, checking invoice data, approving it, posting it, paying, and ending with archiving of the paper and electronic invoice. In the SSC, the vendor invoice process is atomised. Each step of the process (receiving, scanning, uploading, posting, archiving, etc.) is performed by a different employee, often unsuspecting what happens to the invoice before it gets it and seldom understanding what will happen with the invoice after. The same invoices are charged by different employees according to their "independent accounting opinion". However, the erroneousness in the SSC has showed that it was not always right. Therefore in the second step the corporation has expanded the process of vendor invoices processing orders. SSC vendor invoices with a pre-approved order amount to an average of less than 60% of the total amount of invoices received (higher % is achieved by creating an order based on the received invoice). In practice, the corporation has met with cumulative invoices pending approval for managers ("heap of papers" and / or a stack of unread emails). Responsible managers were motivated by work congestion. The lack of time caused duplicate approval. Often they had to approve the invoice despite being identical to a pre-approved order. Currently orders are already approved in the corporation. Managers asking for products and / or services, if they need it, approve the order very quickly. If the vendor's invoice agrees with the approved order, or the difference in price or the number of items is within the agreed tolerance, duplicate approval is no longer done. Invoices that are different from the order and require approval are less than 5% in this corporation. This change saves time for managers, streamlining the process, ensuring greater SSC efficiency, and allowing employees to increase their pressure to process more transactions in shorter time and with fewer errors. SSCs are more effective than increasing the average number of transactions processed by one employee, reducing the average transaction processing time, reducing the average cost per employee, and so on. Higher efficiency is also sought by the SSC through the various Operational Excellence, Lean, Six Sigma, Kaizen methodologies, often with a realistic result compared to the total cost of choosing and implementing a suitable methodology, licensing, consultants, employee training, analyzes. Higher efficiency is also sought by SSC through the employment of highly qualified employees. Invoices that have the order number with a pre-defined cost account, cost centre, tax code, maturity date, approver, etc. do not work in the company with highly qualified employees. They are used for activities with higher added value.

The multinational corporation also makes extensive use of document digitization using modern IT technologies. All paper documents are professionally scanned in high quality exploited by them important data and thus processed electronic versions of the recording into the so called account. Substantial data to be used will be determined in advance on the basis of the so called requirements. Extracted data is then only checked and verified. Controlling downloaded data takes place through different validation rules. If necessary, data can be physically controlled by the so called validator. Extracted data can be edited before they are approved and processed (i.e. they can be added, modified, deleted). Modified data can be imported directly into the accounting software. Processed and approved accounting documents are automatically stored in an electronic repository.

Regarding the transfer and storage of electronic invoices (or invoices in electronic form), the Accounting Act also provides guidance on these issues. The Accounting Act distinguishes accounting records (invoices) in two forms, namely written records in a paper form (paper invoices) and accounting records in a technical form (so called electronic invoices). The corporation examines the accounting record (i.e. invoice) from one form to another. When performing a form of accounting (invoices) form, it ensures that the content of the accounting entry (invoices) in a new form coincides with the content of the accounting (invoices) in the original form.

Table 1: Liability processing system

<table>
<tr><td colspan="5">Receiving, scanning, approval and posting invoices</td></tr>
<tr><td>Type of service</td><td>Responsibilities of shared services centers (services supplier)</td><td>Date</td><td>Responsibilities of customer (services receiver)</td><td>Date</td></tr>
<tr><td>Purchase and receiving inputs into store</td><td>- in standardized manner, no action is required when the need arises for consultation, the service provider is ready to cooperate</td><td>continuously</td><td>- create an application form for purchase
- create an order in SAP system and send it to the supplier
- bill of the material entry, goods for storage after delivery</td><td>2 days</td></tr>
<tr><td colspan="5">Benefits: a uniform processing across the entire group, establishment of uniform material items in SAP system, an overview of the suppliers ability to rely on multinational suppliers for the purchase of the same items throughout the entire group and thus being able to influence (optimize) the price of inputs, simplified control of the entire process of purchasing a single setting process control, a unified reporting and process efficiency.
Risks: different standards of living in the country has a local effect on the price of inputs, i.e. countries with lower living standards (Branch Office) can have lower prices, as the country selected for the group could purchase a uniform for all branches. Redefining</td></tr>
</table>

<table>
<tr><td colspan="5">risk of incorrect entries in ERP system, misclassification for the needs of local accounting and taxes (check of the factual and formal correctness of documents).</td></tr>
<tr><td>Receipt of invoices for the purchase of inputs</td><td>- incoming invoices for the service provider scanned and placed into SAP
- service provider requires absence of invoices from suppliers of inputs</td><td>1 day</td><td>- it does not require any interaction</td><td>-</td></tr>
<tr><td colspan="5">Benefits: unless an invoice from a vendor (delivery subject, quantity, unit price) equals orders submitted and approved in SAP (subject to order, quantity, unit price), the invoice will be billed automatically to the order without further substantive approval, as a substantive approval is already reported in SAP when the order is created. Automatically reckoning eliminates operational risk, risk of human error and accelerates the process of circulation of bills at the branch XY.
Risks: invoices received from suppliers are not sent to the registered office of the branch, but the mailing address (place) where all received invoices for all branches of the group are scanned from one place into SAP system. All invoices are archived in electronic form outside the branch. The risk for the office is that archiving documents may not be consistent with archiving policy of the concern and in accordance with the legislation in force in the country of the branch. Further, the risk of incomplete documents (invoices loss) increases and this is associated with the risk of late payment by the supplier of inputs. This risk is linked with the risk of incorrect recognition of the needs of monthly accounts, paying taxes, and so on. Finally, the risk of awards increases, i.e. in relation to the correct calculation of the cost of entry.</td></tr>
<tr><td>Treatment of invoices for the input purchase</td><td>- automatically pair and charge invoices with purchase orders (invoice = order)

- before posting send invoices without a purchase order for approval
- before posting send invoices for approval (invoice is not equal to order)</td><td>2 days

1 day after identifying an approver</td><td>- deal with exceptions

- approve invoices without purchase orders
- approve invoices with order (invoice is not equal to order)</td><td>5 days

5 days</td></tr>
<tr><td colspan="5">Benefits: a uniform chart of accounts, joint accounts and billing setting rules, online automatic posting invoices.
Risks: billing invoices without supporting documentation, failure to assemble documents, information on the carrying case are archived in different places, treatment of invoices without correctly identifying ancillary costs that increase cost and thus false accounting and tax assessment. Another risk is that often in practice contract conditions are subsequently changed (e.g. place of delivery, extension of the scope of delivery of the services provided, etc.) which is poorly recorded and when automatically posting the invoice it may lead to erroneous assessment of the accounting and tax point of view of the supply of inputs. Reduced eligibility requirements for an employee (accountant) can be negatively reflected in his inability to flexibly and competently identify and then deal with unusual situations that occur in every business, and thus optimally assess the situation in all its complexity.</td></tr>
</table>

Source: Own research, 2017.

4. CONCLUSION

Shared services are the result of globalization of economic activities within the company are often a spin-off of the corporate services to separate all operational type of tasks from the corporate headquarters, which has to focus on a leadership and corporate governance type of role.

This system of profiling and centralization of activities has its benefits as well as risks, which need to be examined in more detail within the individual processes in order to be able to set up systems and processes as efficiently as possible with the effective elimination of significant risks. Similarly, digitization brings several benefits to both a multinational corporation and its shared services centre. Digitization allows:

- fast and secure access to documents from anywhere, anytime,
- gain control over the intellectual property of the enterprise,
- streamlining work in the form of cost savings, input savings (paper, printers, archiving boxes, etc.),
- saving time and reducing the burden on the environment by producing waste,
- effective protection of personal data as well as confidential business data,
- streamlining business processes and thus the overall business performance, etc.

A risk is a part of any activity, i.e. outsourcing, it cannot be removed and therefore it is necessary to work with it. In particular, the duration of the partnership period, contractual conditions, insufficient control of processes and activities, poor service levels and staff qualifications are particularly significant. Both, a parent company and SSC work with people (employees), and their morale and ethical conduct can greatly influence the performance of the business itself and the built brand and good name of the company. Therefore, it is essential for an enterprise to set up ethical management tools, for example:

- by the form of the ethics code,
- being interested in creating an ethical atmosphere in the enterprise in the form of good human relationships,
- honouring corporate rules and introducing enterprise culture,
- emphasizing the ethical behaviour of employees as an important factor of mutual trust, seriousness and correctness,
- taking an uncompromising stance on corruption and bribery.

However, the company is also exposed to the potential loss of key knowledge and skills, the risk of leakage and misuse of information, and, last but not least, the loss of efficiency in the event of an incorrect cost-benefit analysis of outsourcing. This leads to the conclusion that each multinational corporation or small business must always consider all benefits but also carry risks arising from the transfer of business activities to the provider.

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