

SHARED SERVICE CENTERS IN CENTRAL AND EASTERN EUROPE: LITERATURE REVIEW

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ABSTRACT

Multinational firms frequently include shared service centers (SSCs) in their business strategy. With the expansion of SSCs, scholars have become more interested in this subject. This study intends to comprehensively assess the extremely dispersed literature on SSCs in Central and Eastern Europe (CEE). The basic methodology used is a meta-analysis of pertinent literature sources. According to the findings, Poland is the nation that has attracted the highest interest in SSCs, with Central Europe receiving more attention than Eastern Europe. It is common to study Estonia, Lithuania, and Latvia collectively, with Estonia receiving the greatest attention. Romania and Bulgaria continue to be seen as the countries with the lowest labor costs in the region. The analysis of the relevant literature shows that researchers systematically examine the motives of foreign businesses to establish SSCs in CEE and frequently concentrate on their operations in human resources management. In their publications, they employ a range of methods, including both qualitative and quantitative ones. To examine the relationships between the selected variables, this study predominantly uses correlation analysis among the quantitative techniques and the case study research method among qualitative ones. The limitation of our research lies in various terminological differences (e.g., RPA, BPO, outsourcing) frequently associated with SSCs. However, this first systematic attempt may serve as a basis for future research and decision-makers in business and politics.

Keywords: shared service centers, business centers, Central and Eastern Europe, literature review

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INTRODUCTION

In the modern, globalized world, multinational corporations (MNCs) employ various techniques and strategies to maintain competitiveness. Shared Service Centers (SSCs) are a means that many MNCs currently use to reach their business

goals with adequate efficiency. These centers offer a wide range of services for their parent company, other companies in the group, or external clients.

The key factors that drive MNCs to locate SSCs in CEE include the region's relatively affordable

and competent labor force, favorable geographic location, time zone, and political stability. Before investing, MNCs carefully select the location for SSCs. Several countries have played a significant role in hosting SSCs, with, since the middle of the 1990s, CEE among them. Currently, the MNCs in the region also find the benefits of proper data management, social inclusion, economic growth, creation of new jobs, and activities in the digital transformation of businesses. Most Eastern European nations currently have some of the greatest levels of advancement in software development, the IT industry, and the use of digital technology (Zolkover, et al. 2022).

The gradual increase in the number of SSCs in the region has coincided with the growth of study in this field, and the use of SSCs has been examined by experts from various points of view and using various techniques or information sources.

The aim of this study is to systematize the fragmented literature related to SSCs in the CEE region. We study which countries have attracted the most attention from the researchers, which aspects scholars focus on most when researching SSC, and which methods are most used when researching SSCs.

The key method for processing this study is a meta-analysis of available sources - articles in which the authors examine SSCs in the CEE region, or in individual countries of the region separately.

Our work underlines how crucial it is for multinational firms to incorporate SSCs into their strategies. Focusing on the CEE region, we also note that as the number of centers has risen, so has the interest of scholars who have examined the centers from various points of view and in various countries. We have observed that many scholars have described and characterized the subject of inquiry, SSCs, in their literature review sections.

Additionally, a theoretical framework consisting of four viewpoints is developed and applied in our empirical section. We outline the fundamental techniques utilized to prepare the study in the methodology section, along with a thorough explanation of the steps involved in gathering data and analyzing the findings. In our discussion section, we supplement the theoretical literature sources with information from the official websites of institutions and companies and compare the findings.

The conclusion section contains our most significant results and recommendations for business and political decision-makers based on the study of all the relevant literature. This makes sense because the reverse transfer of knowledge takes place. Ferencikova (2020) asserted that subsidiaries in the CEE countries in this study can produce new information that is then transmitted to international firms. Velinov & Guelnberg (2016) claimed that, from the headquarters perspective, expertise obtained from CEE subsidiaries is crucial.

LITERATURE REVIEW

The idea of SSCs has grown in significance over recent years (Ślusarczyk, 2017). The fast growth of information and communication technologies, which both contribute to the simplification and the cheapening of the export of services, has greatly accelerated the importance and development of SSCs. The marginal cost of providing services is quite low, even though there are still certain restrictions on exporting commodities (Šindelář & Janasová, 2020). To do the literature review, though, we first need to define what the expression "SSCs" means.

According to Knol et al. (2014), SSCs are a concept where a corporate entity administers certain services it provides to other corporate entities abroad while carrying out those services in a specific service center. SSCs are a type of semi-autonomous organizational unit that typically provides discounted special support services to the company's external clients. An SSC is a group of entities and activities that relate to organizational procedures. It is possible to employ the highest levels of service quality and efficiency while increasing the value of the business thanks to the separation and independent implementation of these processes (Maatman & Bondarouk, 2014). SSCs are characterized as a concentration of resources to carry out tasks for the entire organization (whole group) (Dunleavy et al. 1999). SSCs can also be thought of as the idea of shared services; as a technique of sharing the Group's resources as opposed to the provision of services in several different separate entities (subsidiaries) of the Group (Quinn & Cooke & Kris, 2000b).

While the private sector mostly has taken advantage of the benefits SSCs provide, the public sector also is aware of the advantages the SSCs model offers in terms of lowering costs and

raising the quality of services offered (Marciniak, 2013). The quality of the public services supplied is less frequent where potential savings in administrative costs are concerned in the public sector (Gawlowski & Modrzyski, 2018). Tammel (2017) also looked on the advantages of centers in the public sector. He claimed that SSCs can assist in lowering the back-office staffing count. The whole costs and advantages of SSCs for the public sector, however, have not been estimated and still are unclear.

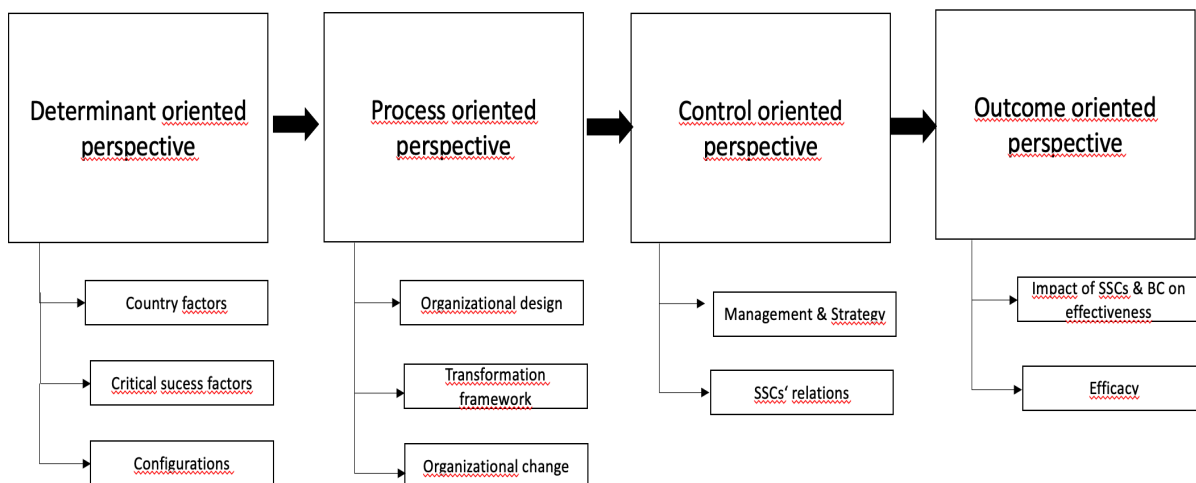
The fundamental idea of SSCs is to lower the costs connected to the business's operations. The cost advantage has caused a rapid expansion of these centers around the world (Banachowicz, 2008). Through the standardization of operations and the realization of economies of scale brought about by merging processes that were previously executed individually, the adoption of the concept of shared services enables the organization to minimize expenses (McIvor et al.,

2011 in Ślusarczyk, 2017). Businesses can take advantage of economies of scale, process standardization, resource pooling, and the transfer of operations to less expensive locations by consolidating their activities in SSCs (Boglund & Hallsten & Thilander, 2011).

A manageable worker turnover reduces cost and controls employee-related costs (Stewart, 2015). According to Paagman et al. (2015) and Marciniak (2013), there are other factors such as service quality improvement, work efficiency improvement, access to external resources, standardization procedures, emphasis on core competencies, innovation focus, and improvements in customer orientation, internal capability exchange, and control.

In our empirical section, we have used Richter, Brühl's (2016) four-perspective paradigm, which was based on a survey of the literature on SSCs in general. Figure 1 illustrates how we have used this model to analyze CEE-related publications.

Figure 1 Four-perspective framework



Source: processed by the authors according to Richter & Brühl (2016)

METHODOLOGY

This study systematizes the fragmented literature related to SSCs in the CEE region. We study which countries have attracted the most attention from researchers, which aspects they focus on most when researching SSCs, and which methods are most used. The key method used is a meta-analysis of available sources - articles in which scholars have examined SSCs in the CEE region or in individual countries of the region separately.

Our work occurred in several stages, and several scientific research methods were applied. The key method was a meta-analysis of available sources. Articles and conference papers published in Web of Science, Science Direct, Francis & Taylor, and Emerald Insights databases were collected, processed, and subsequently analyzed. The listed databases were searched based on entering the keywords shared service cent*s, business cent*s, and shared services, as well as Central and Eastern Europe, Bulgaria, Czech Republic, Estonia, Hungary, Latvia,

Lithuania, Slovak Republic, Romania, and Poland. Articles in which the mentioned keywords were found in topics, keywords, or abstracts were included in our database. The search of the databases did not have a time limit.

The abstracts of the papers that were searched were then thoroughly examined. Sixty articles and conference papers were excluded for their content inconsistency with the investigated issue. Then, after carefully going over the entire article, another 17 articles whose content had nothing to do with our research area were eliminated. After establishing the fundamental criteria, we have quantified certain indicators linked to the content and analytical technique, as well as formal aspects of the investigated articles using statistical methods, the method of analysis, comparison, and subsequent synthesis. The study's limitations, as well as potential directions for future study in the paper, also are discussed.

A part of the study is based on Richter and Brühl's (2017) model, which also used the meta-analysis methodology to conduct a literature review. Without a specific time frame or an emphasis on a particular country, the writers created an overview of the literature on SSCs. The literature on SSCs located specifically in the CEE area has not yet been systematically reviewed, even though researchers have long explored SSCs in CEE from a variety of angles. Torracco (2016) made a distinction between three types of review structures -temporal structure, methodological structure, and conceptual or topic structure – all of which have been used in our study.

Because a review of the literature associated with SCCs is not as well developed as other areas of global business, we applied methods associated with other related aspects of international business such as FDI, SCM and outsourcing. Jiang and Quereshi (2006) and Kumar, Saxena, and Agrawal (2015) similarly divided the fragmented literature into sections based on views. Paul and Singh (2017) identified the most studied nations, the most often applied statistical techniques, and the scholars who have been most frequently mentioned in the literature on FDI. In addition to the authors' key findings in the literature, Paul and Feliciano-Cestero (2021) focused on technique and empirical contexts while reviewing the research on FDI.

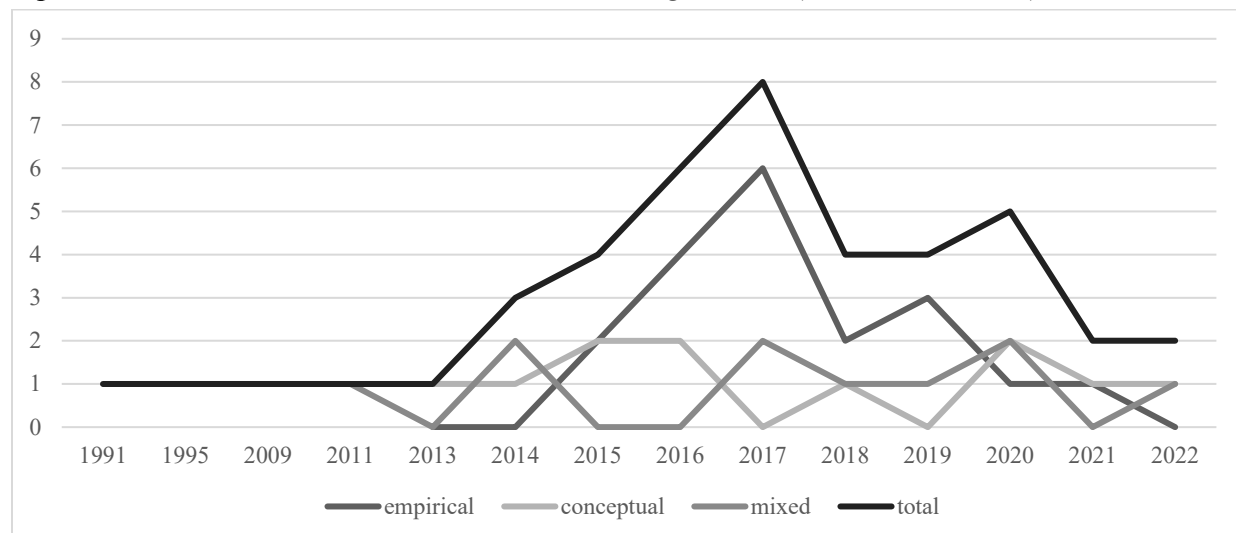
RESULTS

The findings of our investigation are presented in this section. The first section provides generic information based on searches in the databases above. In the following section, we separate the selected articles based on their content focus, and we focus on the methodologies used in various articles in the last section.

Summaries of the articles used

The articles on SSCs are summarized in the table below from a chronological perspective, and they are also divided into categories based on whether they were empirical, conceptual, or mixed.

Figure 2 Number of relevant articles from a chronological view (from 1991 to 2022)

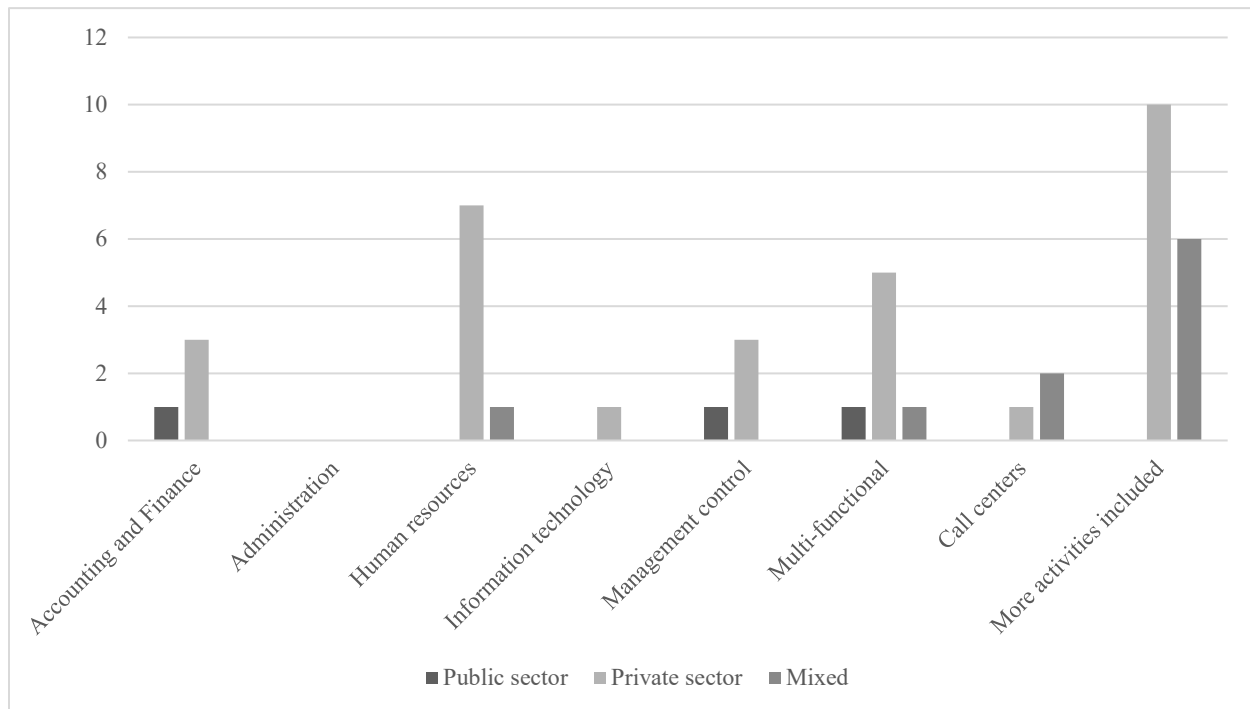


Source: authors' work.

The first papers concerning SSCs in CEE were published in the 1990s. This can be linked to the first SSCs showing up in the area under study. Most articles were published from 2014 to 2020. The number of SSCs in CEE significantly increased at this time, and numerous experts

were interested in the phenomenon and chose to examine it. Table 1 presents an overview of articles divided by the type of activity their authors focused on.

Table 1 Focus of articles on selected areas (SSC activities)



Source: authors' work.

It is evident that the bulk of scholars have concentrated on researching human resources regarding SSCs and have concentrated much more on private sector centers than public sector ones. The articles in the uncategorized area were written by authors not particularly interested in any subject. The writers of these papers mostly concentrated on the national business climate or the grounds for building SSCs.

The articles appeared in the following scholarly publications: E-MENTOR, Advanced Series in Management, Applied Geography, Economics & Sociology, and Accounting & Auditing Accountability, and our database also includes conference papers.

From the point of view of their focus on a specific country, individual countries were investigated in different amounts. The authors covered CEE in 9 articles: Poland (10), Slovakia (7), Estonia (5), Romania (5), Hungary (4), Czech

Republic (3), and in the case of Lithuania, Latvia, Bulgaria only one article was included in the database for each country.

Four-perspective framework

In this part of the article, we focus on the division of articles into 4 basic groups according to their content focus. Each of the 4 groups is further divided into several subgroups to ensure the most accurate overview of the literature.

1. Determinant oriented perspective

a) **Country factors.** Tarkowski (2018); Hudáková (2018); Urbaníková & Štubňová & Levický (2019); Trapane & Pelse (2019); Rusu & Roman (2018); Fenema (2014) investigated elements that are relevant to a certain country or a group of countries. These elements serve as the nation's competitive

advantage and drive the construction of SSCs there. The following elements were determined by Trapane, Pelse (2019) to be in the Baltic Region: average hourly wage, proficiency in a foreign language, degree of education, and comparison of countries according to how favorable their business climates are. Latvia was reviewed by Zile & Licite-Kurbe (2021). According to these scholars, the country is characterized by factors such as the availability of labor and low labor costs, as well as a relatively favorable business environment. The skilled labor in Slovakia is one of the primary draws for SSCs. According to Urbaniková & Štubňová & Levický (2019), other characteristics include the number of universities, the quality of airline connections, the amount of economically engaged inhabitants with university degrees, and the quality of road infrastructure. Central Europe's attractiveness stems from a variety of reasons, including the availability of trained labor with high language skills, cheap costs, a favorable corporate and political environment, well-developed infrastructure, and geographical and cultural closeness to Western Europe (Sass & Fifekova, 2011).

b) Critical success factors. According to Tikal (1991) in the case of Czechoslovakia, it is a transformation to a market-oriented economy and effort to become a member country of the European Community by 2000. A corporation must have strong management skills to handle significant change, reorient people, restructure processes, install the necessary supporting technology, set and enforce standards, and reorganize, among other things, in order to produce SSCs (Kokavcova, 2017). Ślusarczyk (2017) studied key aspects of SSCs in selected countries (Poland and Slovakia). Among the critical success factors are the countries' location (and their proximity to Western Europe), the ability of the workforce to work in multiple languages, and higher earnings of employees compared to other sectors in the country. Age and gender are strongly connected with interest in and dedication to SSC employment in the Czech Republic (Koval et al.). Melnyk & Leshchukh & Shchelyuk (2021) looked at critical success factors from a regional point of view, finding that positive trends that can be considered as

critical success factors include greater receptivity of the investigated administrative units' economic structure to contemporary socioeconomic development circumstances.

c) Configurations. This category can be looked at from two points of view. The first category is represented by the environment settings in which SSCs operate. According to Hashimoto & Wójcik (2021), while capital cities served as gateways for investments to the rest of the country, secondary cities' increasing capacity to handle larger and more complex services may reshape the landscape of national financial centres, particularly in the aftermath of abrupt changes such as the Global Financial Crisis. The SSC's actual environment serves as a representation of the second category. Niewierko (2022) created a list of elements that influence the organizational culture of SSCs, and the activity profile (for both SSC and the parent firm) and human capital factors are at the top of the list (age, competence, qualification, gender of the employee for both the SSC and the parent company).

2. Process-oriented perspective

a) Organizational design – This is a review and subsequent proposal of the organization of work after the introduction of SSCs in the business strategy. According to Šindelář & Janasová (2020) routine activities are more preferable for transfer to an SSC rather than complex activities, as complex activities were mostly chosen external and internal reporting, financial accounting and the area of fixed assets. They defined as routine activities marketing and human resources. Shared services can be positioned in value chains to differentiate between vertical, horizontal, and hybrid ISS, according to van Fenema, Keers, and Zijm (2014), who described how creating business models, structures, and connections would be affected by a CSS. The dynamic interaction between organizational autonomy and interorganizational reliance is embodied in the success criteria and impediments that are given. According to Modrzyński (2020) the development stage in which a company operates, the nature of its operations and the ownership structure are the main, but not

the only, factors that influence on the choice of a unit's organizational model and determine its management model.

- b) Transformation framework.** This category includes research in which scholars paid attention to the changed market conditions and the need for their implementation in SSCs. According to Dubo & Rodet-Kroichvili & Slim (2016), CEE countries play an important role in the fields of computer and information services as well as other commercial services. CEE countries specialize in services, but not all CEE countries have a competitive advantage in the same services. They also found that in the observed period of 2004-2012 there were close links between the export of services from CEE to other older EU countries. Marciniak (2015) investigated the most significant worldwide developments in this sector as well as the business methods of Hungarian SSCs. SSCs provide an increasing emphasis on process automation, quality, and maximizing efficiency. They are always growing and delivering services that are increasingly intricate. SSCs are beginning to look for talented workers, and businesses are beginning to outsource their R&D and innovation. The development of centers of excellence, particularly in IT, as well as higher added value operations, are among the trends in SSCs (Hudáková, 2018). Due to expense factors, however, CEE is no longer a preferred region. Higher education, excellent language skills, and job security are benefits (Kedziora, Piotrowicz & Kolasinska-Morawska, 2015).
- c) Organizational change.** Geographically, effective SSCs are shifting their focus away from the regional service center model and toward the hub-and-spoke model (Marciniak, 2014). Balardi and Ratajczak-Mrozek (2019) examined organizational changes in the context of shared services. Using a case study of a selected company, they examined gradual changes in organizations leading to the establishment of a center of excellence. Urbaníková & Štubňová & Levický (2019) discussed internationalization and digitization of processes as key changes that need to be implemented in SSCs and which at the same time contribute to the rapid growth of this

sector. According to Anagnoste (2017), RPA (Robotic Process Automation) is a "big thing". People will be transferred to high-value jobs because of RPA's deployment in business processes, and those who are let go will have the chance to pick up new skills; it is about making progress and getting rid of repetitive tasks so that services with more value added may be provided.

3. Control-oriented perspective

- a) Management & strategy.** Golnik & Golnik (2016) explored the possibilities of management of basic factors (Polish human capital and its education, Polish legislation, labor costs, transportation infrastructure and the environment, and living circumstances in Poland are all factors to consider.). It discusses the state of the Polish market now. The topic of the strategy was covered by Petrisor & Cozmiuc (2016). They concentrated their research on Romania's need to execute SSCs' diversification strategies, asserting that the diversification of SSCs in Romania is not a perspective for the country's development because it continues to represent primarily a low-cost location for foreign investors based on the example of several successful SSCs.
- b) SSC relationships with entities.** This group of studies comprises those whose writers discuss the connections between SSCs and other entities. For example, Sekliuckiene & Meiliute (2014) looked at parent firms (MNCs), examining how disclosure influences the upkeep of enduring bonds between parent businesses and SSCs. With respect to potential employees, Koval et al. (2016) investigated how brand value affects students' perceptions of careers in SSCs in the Czech Republic. According to them, students' opinions regarding employment in shared service firms are heavily influenced by brand value; hence, the greater the value, the higher the willingness to work for such companies.

4. Outcome-oriented perspective

- a) Efficacy.** No standard mechanism in the analyzed countries would allow for a precise evaluation of SSCs' effectiveness. However, organizations (such as BSCF, ABSL, etc.) in

these nations have conducted studies on SSCs to determine their effectiveness and advantages for parent firms as well as the whole national economy. Each parent company should evaluate the efficiency and advantages of creating SSCs on its own, but in general it is difficult to assess the efficacy and contribution of SSCs to the economy of a specific nation. In addition, Liptákova & Tusan (2015, 2017) discussed the efficacy of SSCs. Investigating whether the activities of SSCs are effective with respect to the value they bring to their founders.

b) Effects of SSCs on efficiency. SSCs operate as distinct legal entities in Slovakia (in which there were no more than 20 in 2015). More than 30 SSCs are in Slovakia, per BSCF (2022). The number of this SSCs in the Slovakia is expanding in line with its general significance. Other CEE nations have seen a similar evolution. Gawłowski & Modrzyński (2018) primarily focused on sharing their experiences in setting up and running SSCs in the biggest local governments in Poland. According to them local governments' efforts to construct shared services centers and expand the range of services they offer are therefore consistent with the private sector's experiences.

Methodologies used by the authors studying SSCs in CEE

The works used in this study focused on a wide range of topics in SSCs, and they can be split into several points of view. In addition to the aforementioned factors, it is crucial, in our opinion, to look at the techniques the scholars used. They had to gather adequate information from a variety of sources to use diverse scientific approaches. The articles used in our study drew information from the following sources:

- Secondary sources – official websites of individual institutions that dealt with the issue of SSCs in the monitored countries, or annual reports of selected companies.
- Questionnaires – in the case of articles in which the author focused on the research of SSCs in the field of human resources. Respondents to the questionnaires were, for example, the potential workforce (e.g., university students), current employees, but also selected companies.

- Interviews – structured, or semi-structured interviews with experts in the field, senior staff in SSCs, and others.

Using one of the scientific research methodologies based on the data collected was conceivable. Most of the articles we looked at used quantitative methodologies. With their aid, the authors were able to perform correlation analysis to look at the dependencies between the chosen variables. The authors also employed statistical and mathematical techniques based on the insight they were able to offer into the state of SSCs in a certain nation, etc.

In the case of qualitative approaches, the case study was the preeminent research technique, with analysis based mostly on the data gathered from interviews. There are additional publications in our database whose authors' information was gathered from yearly reports, government websites, or other sources. They came to their conclusions after comparing the material they acquired using the comparison method.

We have also identified several other terms that are frequently used in connection with SSCs: Business Process Outsourcing, Offshore Financial Centers; FDI; Outsourcing, Back-office Process; and Knowledge-Intensive Business Services. The existence of these terms and their frequent connection to SSCs can be considered as a limitation of our research, however, in the future it can be expanded to include these concepts, which can be classified as keywords.

DISCUSSION

The scientific literature is not the only source of information on the SSC issue. National and international organizations (both inside and outside the countries under examination) and enterprises in the private sector give it a lot more attention. These sources disseminate information about the situation in SSCs, publish data, and perform surveys on a regular basis. Their findings may also be used to assess the region from the perspective of the SSC, entry reasons, and other SSC-related factors.

The CEE area is seen as a preferred site for businesses integrating SSCs into their corporate strategy and choosing to construct them (SARIO, 2023). The CEE area's labor force is becoming more efficient, and the growing need for cost reductions have encouraged the rise of

investments and the consequent creation of new SSCs in the region under study (EAC, 2023). Numerous factors contribute to the region's appeal, including its availability, skilled labor, linguistic diversity, proximity to Western Europe, well-developed infrastructure, and significantly lower wage costs compared to levels in North America or Western Europe (SARIO, 2023).

The choice to create a new SSC is heavily influenced by several variables, including countries with low levels of maturity and development potential, which are good choices for regular function offices that do not require a lot of personnel. However, mature, and hence saturated, nations with higher wages may provide more benefits for unique services and strong quality demand (EAC, 2023).

When it comes to investments in SSCs and business process outsourcing (BPO), CEE is the most popular choice. This is due to several factors, including its strategic position, close cultural ties to Western Europe, availability of highly skilled labor, and an extensive investment support network in nations like Slovakia, Poland, Hungary, the Czech Republic, and Romania (PwC, 2023). According to Kalinowski (2015), Poland is one of the most alluring locations for corporate service centers globally. And according to Sader (ACCA Global, 2019), there would be more rivalry among CEE nations for the SSC market.

With robotic process automation (RPA), global standard procedures, and single instance ERP appearing as the top digital enablers recognized, one of the most important developments in SSCs today is the adoption of digital enablers (Deloitte, 2021).

In the empirical part of the article, we have stated that with the increase in the number of centers in the region, the interest in researching this issue also increases. From our research, it can be concluded that the individual countries belonging to the researched region are not explored enough and the private sector provides a much larger amount of data, findings, and knowledge in this area. In our opinion, it is necessary to pay even more attention to the issue in the literature. In our results, we have presented the most common areas dealt with by scholars, as well as the methods used in their research, thus identifying a literature gap and "a guide" for future research. Indeed, SSCs represent an inflow of FDI for the host country.

Rapacki & Próchniak (2009) state that this influx is significantly correlated with GDP growth rates in the CEE countries (European Commission, 2009). According to Marciniak (2014), the growth of the shared service market rearranged the entire labor market in these countries, and in the last decade, it has become one of the most significant employers. ABSL figures put the number of SSC employees in CEE at well past 750,000 (ACCA Global, 2019).

Institutions, including the business sector and international organizations, react to changes faster. However, they frequently make available a wealth of statistics, data, and information, which we believe must be further analyzed to address the issue of SSCs in CEE. As we have stated previously, this industry is crucial to the economic standing of the CEE region's member states.

CONCLUSIONS AND RECOMMENDATIONS

The CEE region is crucial for the creation of SSCs. We have organized extremely varied study material and have reached the following results:

- Romania and Bulgaria are still regarded as a region where labor is always cheap;
- Estonia, Lithuania, and Latvia are frequently studied as a whole, with Estonia being the most studied;
- The region of Central Europe is the most researched, with the majority of articles focusing on Poland;
- In all CEE countries, SSC scholars have focused primarily on country factors that can be characterized as reasons for building SSCs in these countries;
- In the CEE region, other areas are investigated on a much smaller scale.
- Due to the disparate focus of the articles examined, several of them were deleted from the database. Even though the study's topic was service sharing, that research concentrated on sharing services in the areas of health, education, ecology, transportation, and logistics.

Based on the study of the existing papers on SSCs in CEE, we conclude that the following areas are under-researched and deserve more attention in the future:

- What is the connection and linkage between the strategies of multinational corporations and their decisions to build SSCs in the CEE?
- What are the positive and negative spillovers of the SSCs activities in CEE countries?
- What relocation interregional trends could be expected in this area given the deglobalization pressures resulting from COVID and geopolitical crisis?
- What is the future of the SSCs in CEE given the growing digitalization of the sector?
- Is there a possibility of reverse knowledge transfer from centers in CEE to multinational corporations?

In the literature, the first two groups have been examined the most. The researchers have not given significant consideration to the categories of outcome-oriented viewpoints and control-oriented perspectives. The international institutions and organizations that were brought up often during the conversation are crucial in these fields. Nonetheless, given that this industry is significant to the national economies of the CEE nations, we think it is imperative that it receives attention in the professional literature.

Our study also brings some ideas for decision-makers in politics and business. Based on our results, we conclude that SSCs are very important for CEE countries due to knowledge transfer from parent companies, creation of new job opportunities in service sectors, development of the local labor force, economic growth of the regions other than the capitals in individual CEE countries, spillover effects, etc. Therefore, we assume that the creation of an attractive business environment in CEE countries including investment incentives for SSCs is a much better choice in comparison to supporting manufacturing.

Decision makers in businesses should be aware of the growing importance of the CEE region in the current deglobalization phase supporting regionalization and moving operations outside classical low-cost areas in Asia and the developing world. As we show in our paper, the CEE region - due to its geographical location, history, culture, political stability, labor force quality, and costs - is a very attractive, efficient, and competitive option for the location of new SSCs, or the relocation of older ones from the above-mentioned distant and unstable regions.

In the future, this research can be expanded to include these concepts as well as other territories in CEE, such as the Balkan countries, or Ukraine, Armenia, Georgia, and Azerbaijan.

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