



CONTEMPORARY TRENDS IN THE MANAGEMENT OF INTERNATIONAL CONCERNS

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Abstract

The aim of the study is to identify trends in the management of international concerns. The focus was on centralized and decentralized management systems. Questions about purpose: (1) In what direction is the management of multi-entity organizations – international concerns? (2) Is there a trend towards centralization or decentralization of management? (3) Is there a tendency to create Shared Service Centers (4) Are the internal entities of the groups exercising an increasing range of functions and decision-making powers, or are they limited? (1) An analysis of the literature in the field of centralization was performed decentralization of management (2) Conducted research in international concerns from the automotive and mining industries. The study shows that in recent years the tendencies to centralize management have intensified and the flexibility of organizational structures of multi-entity organizations is varied and depends on the type of complex organization. Despite the trend towards centralization of management in the automotive and mining industries, in the automotive industry this process is slower and some internal units of automotive concerns perform a wide range of functions and decision-making powers. The results presented in the article can be used by other multi-entities organizations to redesign the existing organizational solutions in terms of functions and structures.

Keywords: *Multi-entity Organization (concern), Parent Company, Subsidiary, Centralization, Decentralization, Corporate Functions, Flexibility.*

1. INTRODUCTION

In the market arena, alongside classic enterprises, multi-entity organizations operating on an international and global scale function. Their common feature is the presence of a decision-management center in the form of a superior unit (parent company) and subordinated units (daughter companies). The parent unit acts as the management center. It imposes on its subordinate entities goals, strategy, rules of operation and enforces their implementation. The role of subordinated units is to implement decisions (strategies) and generate value for the multi-entity organization. They are strongly dependent on the company's headquarters in their activities. Hence, their level of decision-making independence and the impact on important decisions made there are usually limited.

One of the forms of multi-entity organizations is a concern. Its characteristic feature is the existence of uniform management on which the companies of the concern depend. In the concern, the parent company, apart from managing the development of the entire concern, also deals with operational activities, it has its core business. As a rule, the companies of the concern have limited freedom of decision-making (Theisen M.R. 2000, p. 15). Observations of economic practice, as well as management theory indicate that efficiency, quality, flexibility and innovation are becoming the categories that set the directions for the development of the organization in the 21st century. The importance of competent employees, IT systems, including information and communication technologies, automation and robotics (Industry 4.0), artificial intelligence (Birkinshaw, J.M. 2018; Iansiti M., Lakhani, K.R. 2020) as well as organizational culture is growing. The political and legal situation in the world is changing (Kunisch S., Menz M., Collis D. 2020, p. 4.), cultural conditions (Baum JAC, Haveman HA 2020, pp. 268-272), competition, the requirements for the organization. Global value chains have emerged (Strange R., Humphrey J. 2019, pp. 1401–1413; Hernandez V., Pedersen T. 2017, pp. 137–150).

These factors, as well as many others (including Covid 19), force managers of superior units to make a number of decisions regarding the functioning of subsidiaries, often located outside the home country of the company's headquarters. Their impact can be two-way. On the one hand, they may affect the increase of the scope of performed functions (tasks) and decision-making powers of subordinate units, thus favoring the decentralization of management. On the other hand, they may have an impact on limiting the scope of the functions performed and decision-making powers by subsidiaries for the benefit of the superior unit or Shared Service Centers, which in turn leads to centralization of management. But also under the influence of

these factors / phenomena, tasks may be outsourced to external companies. The use of outsourcing at the level of subsidiaries limits their functions and decision-making powers, and thus the decision-making autonomy. The issues being analyzed in the study are complex and its importance is raised in the scientific literature. The problem of centralization and decentralization is one of the most difficult problems, both in the theory of organization and management, and in economic practice. It takes on a deeper meaning and complexity in multi-entity structures (Kreft 2004, p. 83), and thus also in international corporations. Parent companies interfere in the functional spheres of subsidiaries, decomposing the established distribution of functions and decision-making powers towards centralization or decentralization of management. Both solutions have specific advantages and disadvantages, which are revealed in various conditions.

The aim of the study is to identify trends in the management of international concerns. The focus was on centralized and decentralized management systems. The following research questions were risen around the problem: (1) In what direction is the management of multi-entity organizations - concerns? (2) Is there a trend towards centralization or decentralization of management? (3) Is there a tendency to create shared service centers. (4) Are the internal entities of the companies exercising an increasing range of functions and decision-making powers, or are they limited? The article consists of two main parts. The first presents theoretical issues and the second presents the results and conclusions of the research.

2. LITERATURE REVIEW

2.1. Towards Flexibility of Multi-Entity Organization Structures

The changes taking place in the environment of large economic organisms caused by the intensification of competitive activities in almost all sectors of the economy, pressure on costs while striving to maintain the optimal quality of goods and services supplied to the market, force management boards and supervisory boards to adopt a new approach in managing subsidiaries (Sobotkiewicz 2011, p. 434). They force the management to make changes in the organizational structure of the company, providing the company with greater flexibility and operational efficiency (Lachiewicz, Zakrzewska-Bielawska 2010, p. 23). It is becoming more and more difficult to forecast and plan for the long term. It is also more difficult to predict the effects of decisions made, even at lower levels of the organization. The flexibility of the organization is a kind of panacea for the increase in turbulence in the environment (Krupski 2005, pp. 7-13). Flexibility is a specific reaction to the uncertainty of the operation of an organization (company) (Osbert - Pociecha 2008, p. 9). Flexibility as the ability to cope with

uncertainty is associated with the ability to respond to (predictable and unpredictable) changes by creating and selecting reversible options for functioning and development, as well as creating ways and means of changing these options while maintaining business continuity and the optimal involvement of expenditure and time (Krupski 2008, p. 24). J. Brillman, on the other hand, indicates that this organization is flexible, the structure and culture of which enables it to quickly adapt to the needs of customers and the requirements of the competition (Brilman 2002, p. 391). The author distinguishes short decision-making processes, a flat structure, and empowerment of executive employees as a feature of a flexible organization. Thus, the organizational structure can be more or less flexible. It may be more or less susceptible to changes taking place in the organization's environment. Organizational structures of international concerns (Table 1) are also characterized by a varying degree of flexibility, as shown in Figure 1. From the features presented in Table 1, it is worth paying attention to the feature of the management method, which allows to distinguish more or less centralized systems. If the companies of the concern operate in the same industry or cooperate with each other in order to produce a finished product, greater centralization of management is required than in the case of the conglomerate type. Therefore, it can be assumed that as a result of the choice of the economic business, the level of economic independence of subsidiaries is determined, and thus the scope of the functions and decision-making powers. A given type of concern requires a different location solution for functions and decisions. On the other hand, the effect of flexibility in the structures in question can be achieved by decentralizing management.

Hence, it can be assumed that the most flexible form is a conglomerate concern that conducts diversified activity in various industries, and the least is a cooperative concern, in which daughter companies are dependent on each other through production phases, they closely cooperate with each other, creating a large economic organism within the concern that needs more time to adapt to new changing conditions.

Table 1. Characteristics of multi-entity organizations - concerns

Characteristic features	Types of international concerns		
	Industry	Cooperative	Conglomerate
The method of grouping daughter companies in a concern	Subsidiaries manufacturing the same or similar product (they operate in the same industry)	Subsidiaries cooperate with each other in the production of the finished product	Subsidiaries are involved in different activities and operate in various industries

Internal cooperation between subsidiaries of the concern	Possible cooperation in the field of R&D, procurement, sale	Strong cooperation in the production of the finished product	Lack
Working area	Specific region allocated by the parent company	The area is limited to territorially located subsidiaries for which components are delivered for further processing.	Without limits
Type of management of subsidiaries	It provides opportunities for centralization and decentralization of the management of subsidiaries	There is a tendency to centralize management	There is a tendency to decentralize management
Development opportunities of daughter companies	Limited by industry development	Possibility to increase production for the internal and external needs of the concern	Limited by industry development

Source: own study

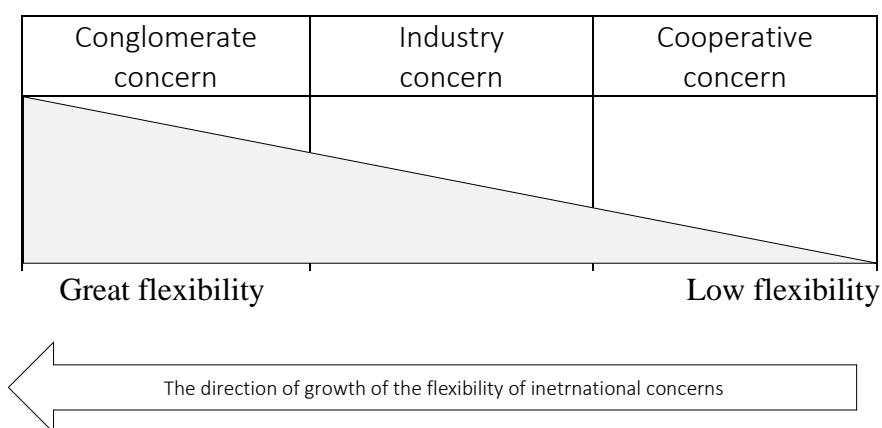


Figure 1. Flexibility of the structure of an international concern
Source: own study

2.2. Centralization or Decentralization of Management in Multi-Entity Organizations?

The problem of centralization and decentralization of management should be considered at the level of the distribution of corporate functions and decision-making powers between the parent company and its subsidiaries. Werr, Blomberg and Lowstedt, while conducting their research, concluded that there are so-called hierarchical relations (Werr A., Blomberg J., Löwstedt J. 2009, p. 451) showing the division of power and responsibility. The corporate functions include production, sales, marketing, research and development, IT, HR, finance (Goold M., Campbell A. 2003; Neilson G.L., Wulf J., 2012; Kunisch S., Menz M., Collis D.,

2020). Changes taking place in the environment of the organization favor the separation of new functions. While certain corporate functions such as IT, marketing, HR, and finance exist at most firms, new functions, in areas such as risk management and compliance are emerging (Kunisch S., Menz M., Collis D., 2020, p.15) .

Centralization of functions and decision-making powers in multi-entity organizations means moving them up vertically to the level of the parent unit. On the other hand, decentralization is a reverse process, it favors the movement of functions and powers downwards to subordinate units. Regardless of the target location of the function, particular attention should be paid to equipping the entity receiving the function with the necessary human, material, financial and information resources. As a result, it will allow for efficient and effective performance of the tasks that make up the content of the function. In the context of the above statement, we can say about two extreme, opposite choices. In the case of centralization of functions, the parent unit interferes with the scope of functions of the subordinate units, receiving them and locating them in the company's headquarters. The company's headquarters provides the company's operating units with centralized services, such as: HR, IT or media purchasing (Menz M., Kunisch S., Collis D.J., 2015, p. 645). On the other hand, the decentralization of functions is accompanied by the process of enriching the functions performed at the level of subsidiaries as a result of locating new functions there. As a result, it leads to the implementation of new tasks, stimulating the activity of local personnel, increasing their involvement in business processes. The decentralization of functions is conducive to increasing the position of an individual in the group. The transfer of functions in a multi-stakeholder organization, vertically, between a parent company and a daughter company, or vice versa, is influenced by certain factors (Table 2). It can be assumed that the more corporate functions and with them decision-making powers are located in a daughter company, there will be a tendency to decentralize management. If the parent company will take away the functions and decision-making powers from the daughter companies, there will be a tendency to centralize management. Decentralization is a compromise between the higher knowledge of local managers and the loss of control in the company's premises (Acemoglu D., Aghion P., Lelarge C, van Reenen and Zilibotti F., 2007, pp. 1759-1799.).

Table 2. Potential factors for locating corporate functions in a multi-entity organization

Direction of location of corporate functions	Potential factors
Centralization corporate functions at the parent company level	<ul style="list-style-type: none"> - cost reduction (employment restrictions at the level of subsidiaries) <ul style="list-style-type: none"> - maintaining the cohesion of a multi-entity organization - uncertainty of the environment - restrictions on the access to qualified personnel in the region of the subordinate unit's location <ul style="list-style-type: none"> - protection of specialist knowledge (research and development, marketing, sale) - focus on the main domain of activity of subordinated entities
Centralization of corporate functions at the level of the Shared Services Center	<ul style="list-style-type: none"> - cost reduction in the long term <ul style="list-style-type: none"> - reduction of duplicate auxiliary functions - stopping the process of growth number of functions in subsidiaries <ul style="list-style-type: none"> - eliminating duplicate functions - optimization of employment at the administrative and "pure" executive level - conducting a common purchasing, sales, marketing, investment, renovation policy, etc. <ul style="list-style-type: none"> - increase in productivity and efficiency of work, - effective use of staff competences - gathering specialist and expert knowledge, developing it and using it outside the structure of a multi-entity organization
Decentralization corporate functions	<ul style="list-style-type: none"> - increasing the involvement of local staff in business processes <ul style="list-style-type: none"> - talent management orientation - good financial condition of a multi-entity organization - access to qualified staff in the region of the subordinate unit's location <ul style="list-style-type: none"> - experience and qualifications of the personnel (market, organizational, technological) of the subordinate unit - the laws of the host country - financial and material resources owned by a subsidiary

Source: own study

Nowadays, the Shared Services Center plays an increasingly important role in centralization processes. It is an internal economic unit with the status of a plant or company in which specialized knowledge, skills and competences are collected. B.P. Bergeron (2003, p. 3) defines a Shared Service Center as a common strategy in which a group of functions is concentrated in a semi-autonomous business unit focused on performance, value generation, savings and better service to internal customers of the parent corporation. In turn, B. Quinn, R. Cooke and A. Kris (2000) define the Shared Service Center as a new creative business strategy. As a rule, SSC serves internal economic entities by providing them with a number of services

supporting their subject of activity. Hence, auxiliary functions (e.g. accounting, marketing, personal development, purchasing, etc.) are located in SSC. Shared Service Centers began to develop on a large scale in the 1980s as a response to the optimization of general costs of running a business. B. Bergeron (2003, p. 3) sees such a localization solution as a function primarily of maximum efficiency, savings and quality in the use of human and organizational resources. S. Wang and H. Wang (2007, pp. 281-290) took a similar position. The researchers found that the Shared Services Center provides long-term cost savings, knowledge sharing, and staff development and retraining. F. Keuper and Ch. Oecking (2008) analyzed the profitability of the operation of the Shared Services Center of major international corporations. Analyses carried out by researchers show that Philips has reduced costs in intermediate areas by about EUR 170 million, German Post World Net has reduced financial accounting costs to about 40%. However, the greatest benefits were recorded in the IT function. Oracle saved about \$ 1 billion, Siemens IT reduced its budget by about EUR 800 million. In the 21st century, the outsourcing of functions was facilitated, which potentially threatens the advantages of the internal functions of shared services, and thus limits the role and size of the parent company (Kunisch S., Menz M., Collis D., (2020), p. 10). In fact, however, each stage of the value chain, from research and development to sales, can be centralized at the corporate level (Kleinbaum A.M, Stuart T.E. 2011, pp. 7-8).

In the literature on the subject, an attempt was made to empirically verify the degree of centralization / decentralization of management in international multi-entity organizations. The results of the research in this area are presented in Table 3.

Table 3. Selected research on centralization / decentralization of management in multi-entity organizations

Author / year	Description	Research conclusions
Kunisch S., Müller – Stewens G., Campbell A., (2014)	A study of corporate functions among the 761 largest corporations in North America and Europe.	Companies with business units or divisions have become more capable of standardizing and centralizing their operations, and traditional headquarters functions such as finance, HR, IT, marketing and strategy have grown in size and impact. In the meantime, new features emerge in areas such as risk management. Almost a third of companies reported an increase in corporate functions - and less than 10% reported a reduction - from 2007 to 2010. Leaders in three out of four companies believed that the impact of their corporate functions had increased.

(Kraśniak J. 2012, s. 138)	Study of the decision-making autonomy of foreign subsidiaries located in Poland. Research functions: sales and marketing, IT, production, finance, human resources. The research covered 60 subsidiaries operating in Poland	The level of autonomy of subsidiaries was placed at the level of 1.3 on a three-point scale, where 3 was the highest value, meaning a very high level of autonomy of subsidiaries and 1 - a low level of autonomy. The greatest autonomy was noted in terms of human resources (2.3) in all sizes of the surveyed companies. The smallest in the sphere of production and finance (average result was 0.6).
(Zajac Cz. 2012, s. 167).	Research on social aspects of human resource management in subsidiaries of international capital groups located in Poland. The research was conducted in the years 2002-2010 in the same 10 companies.	<ul style="list-style-type: none"> - loss of managerial and operational independence, resulting in limiting the decision-making powers of the management and limiting innovation and creativity, - elimination or strong limitation of many functions in subsidiaries - interference of the parent company in strategic and operational management in the subordinated companies, - limiting production (the scope of services provided) and specialization, - centralization and outsourcing of many functions, - numerous organizational changes as a result of slimming, flattening and making organizational structures more flexible
(Stępień B. 2009, s. 318)	Research on the autonomy of subsidiaries. The study covered 35 production branches of international companies operating in Poland.	<ul style="list-style-type: none"> - the most centralized area is investments in real estate and machinery, - moderate level of centralization and supervision applies to commercial, marketing, supply and distribution activities, - the least centralized area of decisions is the area of shaping the employment policy. However, taking into account the industries, it was noted that Polish branches enjoy the greatest autonomy in the food industry (compared to the machinery and plastic industry) in making decisions in the sphere of trade and supply. There was also a slight increase in the discretionary power with the age of the subsidiaries.
(Broszkiewicz A. 2008, s.27-29)	Assessment of the impact of industrial groups on the functional spheres of subsidiaries with foreign capital. The research covered 50 subsidiaries located in Poland.	The group is strongly influenced by production and technology (3.84) as well as procurement and sales (3.46). The research showed that in terms of financial management, groups exert an extremely strong influence on subsidiaries (average result 4.58). On the other hand, the greatest interference by groups was recorded in the sphere of investment and development (4.64). A five-point scale with 5 being the group's greatest influence. Only in the area of the personnel function, local managers have greater freedom in making decisions (2.18). The degree of group interference in this case turned out to be the lowest.

(Listwan T., Stor M., 2008, s. 286)	Research on management problems of managerial staff in subsidiaries of international organizations. The research was conducted in 2008 among 35 subsidiaries.	On the basis of the research, the authors indicated the postulates of rationalizing the personnel function, including in terms of reducing the degree of centralization of functions and extending the scope of autonomy in subsidiaries.
(Sobotkiewicz D. 2005, s. 150-153).	Autonomy study in terms of the marketing function among 30 subsidiaries of foreign concerns located in Poland.	All decisions in the field of marketing research, product research, prices and promotion are made in the parent company of international concerns. Only in the case of distribution, subsidiaries had greater decision-making independence. Moreover, it was found that subsidiaries mainly perform the executive elements of the marketing function and the mother company - planning and control. Managers, on the other hand, have limited decision-making independence in the field of marketing.

Source: own study

The research results presented here indicate that the greatest interference of the parent unit in the functions of subsidiaries concerned production, finance, supply, sales, development and marketing, and investments, and the smallest in terms of the personnel function. The interference of the parent unit with the functions and powers of the subsidiaries favors the centralization of management. Therefore, it is worth asking the following question at this point, what causes this state of affairs, tendencies towards centralization of management? The answer to this question is not simple, but an attempt can be made to indicate several factors that cause the tendency to centralize management today, they are:

- dynamic development of information technology and IT programs facilitating the transfer of information within the organizational structure and programs supporting decision-making at various levels of the organizational structure,
- in the area of almost all corporate functions, computer programs are used to facilitate the collection, processing and transmission of data.
- Industry 4.0 concept,
- a tendency to concentrate many corporate functions, previously implemented at the level of subsidiaries in the company's headquarters or in created Shared Service Centers, treated as business strategies in the 21st century,

- limiting the role of subsidiaries to the implementation of basic functions (e.g. production) with broad support of auxiliary functions performed by the company's headquarters or shared service centers.

3. RESEARCH METHOD

The main problem comes down to the question: What is the tendency in the management of multi- entity organizations - international concerns? The following research questions were risen around the problem: (1) Is there a trend towards centralization or decentralization of management? (2) Is there a tendency to create Shared Service Centers. (3) Are the internal entities of the companies exercising an increasing range of functions and decision-making powers, or are they limited?

The research was conducted in the years 2010-2018 in the same four multi-entity organizations - international corporations operating in Poland, Germany and China. The research consisted in analyzing the changes taking place in the location of functions and decision-making powers and the reasons causing them. The method of analyzing the content of organizational documents and an individual interview (direct and telephone) with a list of open questions were used. The sequence of the methods used was as follows. Once a quarter, organizational structures, documents introducing changes to the structures of the surveyed companies, and documents published on the websites of the surveyed organizations were examined. The analysis of these documents made it possible to initially recognize changes in location of functions and permissions. The results of these studies were the basis for an interview with managers of parent unit in the field of factors causing changes. The research was conducted in all internal enterprises of multi-entity organizations, both in the parent company and in its daughter companies.

4. ANALYSIS

The research was conducted in four multi-entity organizations in 2010-2018. In total, twenty daughter companies of international concerns were examined. The characteristics of the international concerns are presented in Table 4.

Table 4. The characteristics of the international concerns

Number of the concern	Location of the parent company	Country of the location of the subsidiaries (their number)	Industry	Type of concern
I	Germany	Germany (3), Poland (2) China (1)	automotive	cooperative
II	Germany	Germany (1), Poland (1) China (1)	automotive	industry
III	Poland	Poland (6)	mining, metallurgy	cooperative
IV	Poland	Poland (5)	mining	industry

Source: own study

The actual directions of the location of functions and decision-making powers in multi-entite organizations are presented in Table 5.

Table 5. Changes in the location of corporate functions and decision-making powers in the international concerns in 2010-2018

Changes in the location of corporate functions	International concerns																						
	I			II			III			IV													
	Location of subsidiaries																						
	Poland	Poland	China	Germany	Germany	Germany	Poland	China	Germany	Poland													
										1	2	3	4	5	6	1	2	3	4	5			
Personel				C																			
Personal development	D		D				D	D					C	C	C	C	C	C	S	S	S	S	S
Low and organization	D		D																				
Product management	D		D																				
Research and development	D		D				C																

Pre-serial planning	D		D																
IT				D															
Quality planing							C												
IT							D	D							S	S	S	S	S
Controlling							D	D											
Strategic purchases							D	D											
Sale										C	C	C	C	C	C	C	C	C	C
Marketing															C	C	C	C	C
Finances										S	S	S	S	S	S	C	C	C	C
Purchasing										S	S	S	S	S	S				
Training										S	S	S	S	S	S	S	S	S	S
Accounting															S	S	S	S	S
Internal Logistics															S	S	S	S	S
Recruitment of employees															S	S	S	S	S

C – Centralization, D-Decentralization, S - Shared Service Center, empty field – no changes

Source: own study

The analysis of the collected empirical material leads to the following conclusions:

- In the automotive industry, decentralization of functions and decision-making powers occurred in three subsidiaries, centralization along with decentralization in two subsidiaries, and no changes in the analyzed period were recorded in four companies. It is worth emphasizing here that in the Polish subsidiary of the second surveyed concern, in 2011-2017, there was a tendency to decentralize functions and decision - making powers , and from 2018 centralization processes began, which are to intensify in the coming years. These elections changed the character of the organizational structure of the subsidiary from conceptual - design - operational to "pure" operational. The intention of the headquarters is to strengthen the operational role of

the company and focus its attention on executive matters, thus limiting its scope of activity in terms of concept and design. The centralization was mainly due to relieving the crew from conceptual and development works and reducing the size of the planning and construction services of the daughter company. In subsidiaries located in China, an increase in their functions and decision-making powers has been observed. The location of research and development in the Polish and Chinese subsidiaries was to create new technical and innovative solutions in manufactured components and finished products, as well as the creation of new products. In general, the research shows that the reasons for decentralization in the surveyed companies were the experience and qualifications of staff, access to qualified staff in the region, orientation towards talent management, financial resources owned by subsidiaries, increasing involvement in business processes and relieving the parent company from tasks performed for subsidiaries. In addition, in the case of product management, a particularly important premise was the independent acquisition of automotive projects by the company, and in the case of personal development, care for development, career planning and reducing fluctuation of the employed staff. On the other hand, in the field of IT, the development of IT and implementation of new IT systems in the company was indicated. On the other hand, the separation of controlling was accompanied by care for the local analysis of financial results (revenues, costs, efficiency - profitability). In the analyzed period, there was no separation of the Shared Services Center in the structure of automotive concerns. The research results presented here justify the conclusion that even in the same concern, daughter companies may have a different range of functions (greater or smaller) and decision-making powers (broader or narrower).

- In the declining industry (mining, metallurgy) there is a tendency to deprive subsidiaries of their functions and decision-making powers and locating them in the parent company or in the Shared Services Center. This process started in 2011 and is still ongoing. The parent companies together with Centrum Usług Wspólnych provide services to their daughter companies. As a result of these changes, subsidiaries may focus on their core business - mining. However, these changes were accompanied by the processes of merging many organizational units of daughter companies and reducing the size of their organizational structures. The centralization of functions and decision-making powers was aimed at improving organizational effectiveness and efficiency, eliminating duplication of functions, but also, in the longer term, reducing employment. In mining organizations, although various functions were subject to the centralization process, the same premises for centralization in favor of the parent company were noted. These were the reduction of costs and the release of subsidiaries from the implementation

of a number of auxiliary tasks not related to the main subject of activity, which can be successfully performed for them by the company's headquarters. On the other hand, the reasons for the creation of the Shared Services Center were the pressure to reduce costs, stop the expansion of auxiliary functions in plants, conduct a common policy for all companies, e.g. in the field of procurement, financial, accounting, IT, recruitment, training functions, effective use of staff, including reduction of jobs, concentration of knowledge and competences in one place, providing services to entities outside the group. There is no doubt, however, as indicated by the respondents, that reducing costs (including employment) was the main premise for creating a Shared Services Center.

5. DISCUSSION

- Research and literature analysis showed that there is a tendency towards centralization of management in multi-entite organizations.

- In declining industries such as mining and metallurgy, there is a tendency to centralize the same functions and decision-making powers in all subsidiaries. As a result, the role of daughter companies is reduced to their core activities (coal mining, processing).

- The importance and role of the parent company in the management of subsidiaries is growing. The number of functions performed by the parent company is increasing. In addition, in her current work, she is supported by the Shared Services Center, treated as a central business unit.

- Establishing a Shared Services Center is a response to reducing the operating costs of daughter companies. There was a tendency in mining concerns to creation the Shared Services Center as an important strategic direction of the concerns.

- Even within the same automotive group, subsidiaries may have different functions and decision-making powers. Their decision-making autonomy may vary. The closer the daughter company is geographically located to the company's headquarters, the greater the tendency to centralize management. Therefore, subsidiaries of automotive concerns located in China show decentralization tendencies. On the other hand, subsidiaries of mining concerns, located close to the company's headquarters show centralization tendencies.

- Manufacturing for the group's internal needs also favors the centralization of management. This can be seen in the case of some automotive companies and all mining companies.

- There are factors of centralization and decentralization of functions and decision-making powers. Locating functions in company headquarters and Shared Service Centers resulted from specific reasons. Most often, head office managers indicated reducing operating costs at the level of daughter companies and the head office's striving to limit the number of auxiliary functions at the level of daughter companies - this concerned centralization. On the other hand, competences, qualifications, and experience of employees of the daughter companies contributed to decentralization

- The study shows that in recent years the tendencies towards centralization of management have intensified, and the flexibility of the organizational structures of multi-entity organizations is diversified and depends on the type of concern. Industry and cooperative concerns tend to centralize. However, despite the tendency to centralize management in the automotive and mining industries, this process is slower in the automotive industry, and some internal units of automotive concerns perform a wide range of functions and decision-making powers.

6. CONCLUSION

The choice of the method of managing subsidiaries - centralized or decentralized - should be preceded by numerous analyzes, the results of which, as a result, will help to optimally make the right choice. Currently, there is a tendency in economic practice to centralize management. The importance and role of the parent company and its Shared Services Center is growing. Therefore, the autonomy of daughter companies is limited as a result of limiting their functions and decision-making powers. The role of headquarters managers of international concerns is to select and implement solutions that facilitate the achievement of goals, improve the quality of processes, reduce operating costs or eliminate duplicate functions. The right choice is important because the quality of tasks and decisions depends on where the function is performed. The author is aware that the limitation of the study population to four multi-entity organizations does not fully illustrate the current trends in the market in terms of centralization / decentralization of management. It also does not show the dominant trends in specific functions of the organization. However, the intention of the research was to indicate the issues, not fully explored in the latest literature, as well as to show potential further directions of research.

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