Lisbon School of Economics & Management
Universidade de Lisboa

MASTERS IN

MANAGEMENT AND INDUSTRIAL STRATEGY

MASTER'S FINAL WORK

DISSERTATION

TRANSITION FROM SHARED SERVICES CENTER TO GLOBAL BUSINESS SERVICES: CHALLENGES, OPPORTUNITIES AND THE MODEL'S FUTURE

NUNO FIRMINO DE SOUSA MORGADO

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SUPERVISION:

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ABSTRACT

This master's thesis analyzes the transition from the Shared Services Center (SSC) model to the Global Business Services (GBS) model within the context of a multinational organization, using Siemens S.A. as a case study. In addition to analyze the transition process, the study also explores the benefits associated with the GBS model, the challenges faced during implementation and nowadays, and future perspectives of the GBS model. This research focuses on four main objectives: i) analyzing the transition from SSC to GBS, ii) assessing the strategic value generated by GBS, iii) projecting the future of GBS, and iv) analyzing how GBS can promote agility during times of crisis. The methodology adopted consisted of a case study using qualitative data. Data collection was conducted through semi-structured interviews with employees of the Siemens GBS HUB located in Lisbon.

The findings obtained in this study shows that the transition from an SSC model to a GBS model at Siemens was a smooth process, without major obstacles, reflecting a natural evolution. While the implementation was successful, the organization currently faces some challenges, such as ensuring employee motivation, maintaining service quality, and identifying new business opportunities. GBS has contributed significantly to operational efficiency, process standardization, and knowledge exchange between regions, factors, which together, promote strategic value. Additionally, this study reveals that the future of GBS will involve promoting digital transformation, especially artificial intelligence, to support other technologies such as Robotic Process Automation and cloud solutions.

This study contributes to a deeper understanding of the GBS, not only as a model oriented towards operational efficiency but also as a driver of organizational agility and innovation. From a practical point of view, it provides relevant contributions for organizations seeking to implement or develop their GBS models.

Keywords: Global Business Services; Shared Services Center; Organizational Agility; Innovation; Strategic Value

RESUMO

Este trabalho final de mestrado analisa a transição do modelo Shared Services Center (SSC) para o modelo Global Business Services (GBS) no contexto de uma organização multinacional, tendo a Siemens S.A. como caso de estudo. Além disso, são também objetos de estudo os benefícios associados ao modelo GBS, os desafios enfrentados durante a implementação e atualmente, e as perspetivas de futuro do GBS. Esta pesquisa está focada em quatro principais objetivos: i) analisar a transição de SSC para GBS, ii) avaliar o valor estratégico gerado pelo GBS, iii) projetar o futuro do GBS e iv) analisar como o GBS pode promover agilidade durante tempos de crises. A metodologia adotada consistiu num caso de estudo com recurso a dados qualitativos. A recolha de dados foi realizada através de entrevistas semiestruturadas conduzidas junto de colaboradores do HUB do GBS da Siemens, localizado em Lisboa.

Os resultados obtidos neste trabalho indicam que a transição de um modelo SSC para um modelo GBS na Siemens consistiu num processo fluído, sem entraves significativos, o que reflete uma evolução natural. Enquanto a implementação foi um sucesso, atualmente a organização sofre alguns desafios tais como assegurar a motivação entre colaboradores, manter a qualidade dos serviços e identificar novas oportunidades de negócio. O GBS contribuiu significativamente para a eficiência operacional, estandardização de processos e troca de conhecimentos entre regiões, fatores que, em conjunto, promovem valor estratégico. Adicionalmente, este estudo revela que o futuro do GBS passará por promover transformação digital, em especial a inteligência artificial, de forma a auxiliar outras tecnologias como a Automação Robótica de Processos e soluções cloud.

Este estudo contribui para um aprofundamento no conhecimento do GBS, não apenas enquanto modelo orientado para a eficiência operacional, mas também como um impulsionador de agilidade organizacional e inovação. Do ponto de vista prático, fornece contributos relevantes para as organizações que procuram implementar ou desenvolver os seus modelos GBS.

Palavras-chave: Global Business Services; Shared Services Center; Agilidade Organizacional; Inovação; Valor Estratégico

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LIST OF ABBREVIATIONS AND ACRONYMS

SSC – Shared Services Center

GBS – Global Business Services

AI – Artificial Intelligence

KPI – Key Performance Indicators

IT – Information Technology

RPA – Robotic Process Automation

BCM – Business Continuity Management

1. INTRODUCTION

Over the past few decades, the Shared Services Center (SSC) model has proven to be an effective approach to centralize administrative and operational services within large organizations. However, the increasing market globalization and the need for greater efficiency and innovation led to the natural evolution of the SSC model which is the Global Business Services (GBS) model. This model is a more global approach, that goes beyond service centralization, it fosters automation and continuous innovation with the main objective of creating strategic value for the organization. Therefore, it becomes important for management to understand the transition from the SSC to GBS model, its benefits, its challenges and the impacts of this change.

This study is situated within a context of organizational transformation in multinational companies that seek agility, efficiency and resilience during times of crisis. The relevance of this investigation lies in the fact that the GBS model, by implementing emerging technologies and agile practices, has the potential to enhance the organization's ability to respond to disruptions, as evidenced during the COVID-19 pandemic. So, the research questions of this study are: *How the transition from a Shared Services Center (SSC) to a Global Business Services (GBS) model unfolds within a multinational context, focusing specifically on the challenges faced both during and after the transition? How was value created throughout this process of organizational transformation?*

This paper is based on a literature review of SSC, GBS, their relation, the future of GBS and organizational agility. Ulrich (1995); Bergeron (2003) and Walsh et al. (2008) define the SSC model, its implementation, benefits and critical success factors to implement it. Moreover, Deloitte (2013) presents the "five multis" (multi-function, multi-region, multi-location, multi-sourced and multi-business) as defining characteristics of GBS and provides further insights regarding its benefits with additional contributions from Zinnov (2023) and Wirtz et al. (2015). In this context of evolution, organizational agility emerges as a key factor to help organizations adapting to changes and to maintain the alignment with its objectives of the company (Gonçalves, 2024; Teece et al., 2016). Cho et al. (2022) emphasizes the need for absorptive capacity and external knowledge to ensure that agility generates good results - critical elements in the evolution from SSC to GBS.

Based on these foundations, this research is guided by four objectives:

1. To analyze the transition from the SSC to the GBS model, identifying the challenges encountered during the transition as well as the current ones.

2. To assess how the GBS model can generate strategic value through process optimization and operational efficiency.

3. To project the future of the GBS model.

4. To explore how the GBS model can drive organizational agility during times of crisis through innovation and digital transformation associated with the concepts of GBS and organizational agility.

The main contribution of this work is to provide a detailed analysis of the transition between the SSC and the GBS model within a multinational organization, which is Siemens, examining the success factors, the faced challenges and the implications of adopting the GBS model. This study contributes to the academic knowledge and understanding of these concepts by discussing how the GBS can position itself as a driver of agility and innovation, as well as improving the debate on the application of digital technologies in the context of global services. On a practical level, the findings may offer valuable insights for managers and professionals involved in implementing and optimizing GBS models.

This dissertation is structured as it follows: the next chapter presents the literature review, discussing the main theoretical concepts supporting this research, followed by a chapter that describes the methodology applied throughout the research. The fourth chapter is divided into two parts: the first presents the data collected without any interpretation, the second discusses of the findings regarding the reviewed literature. Finally, the last chapter concludes this study by highlighting its contributions, limitations and suggestions for future research.

2. LITERATURE REVIEW

2.1 Shared Services Center

2.1.1 Definition

The concept of shared services appeared in the private sector in the late 1980s, when big corporations began to consolidate separate business units across organizational divisions into a single unit, allowing companies to focus exclusively on performing particular business services at minimal possible costs and on enhancements to service delivery (Walsh et al., 2008). Shared services are an organizational model where a company consolidates common business functions previously performed by multiple operating entities into a single unit, that provides these services to the rest of the company considering as its business clients (Ulrich, 1995).

As Bergeron (2003) defines it:

"Shared services is a collaborative strategy in which a subset of existing business management structure designed to promote efficiency, value generation, cost savings, and improved service for the internal customers of the parent corporation, like a business competing in the open market." (Bergeron, 2003, p. 3)

Shared services is a well-established strategy focused on the centralization of specific business functions within the organization such as HR, Finance, IT or customer service. The centralized units, known as Shared Services Centers (SSCs), operate at local levels and play a crucial role in consolidating and optimizing these functions (Zinnov, 2023). Usually, the types of services provided in the shared service model are financial services, which include accounts receivable, accounts payable; procurement; human resources management services, like payroll; property and facilities management; and information technology operations (Walsh et al., 2008).

2.1.2 Benefits

The main goal of shared services is to alleviate time, effort and attention of service providers enabling them to focus more on their core business of service delivery. By this it means, supporting activities that are considered as non-value adding and potential distraction from the main business of the organization. Making possible for business managers to focus more fully on strategic activities and the delivery of essential services (Walsh et al., 2008).

Shared services facilitates companies' ability of bringing value to itself, reducing the number of service employees distributed across the international sites, leading to lower operating costs and

gaining efficiency (Ulrich, 1995). Additionally, it enables the possibility of enhance organizational learning and innovation by centralizing technical and managerial expertise and allowing knowledge sharing (Cooke, 2006). Shared services, also outsourcing, are part of organizational redesign to make efficiency the main priority of corporate functions. But maintaining shared services without outsourcing is a firm's decision of long-term corporate strategy and not only a matter of timing (Sako, 2010). Once back-office functions are well-established, organizations can shift their focus to service quality and optimize beyond core processes to foster innovation and drive value (Celoris, 2021).

2.1.3 Implementation

According to Walsh et al. (2008), six key factors were identified with the implementation of shared services model: i) The need for top management support and leadership; ii) Determine which services to move into a shared services arrangement; iii) People management issues; iv) Ensure the existence of an effective governance arrangement; v) Balance business process redesign and reshape of roles and technology and vi) Build a new culture (Walsh et al., 2008). Similarly, in terms of ongoing operations, there are also four key success factors: i) Monitor and manage costs; ii) Accountability issues; iii) Use of service level agreements and iv) Performance accountability (Walsh et al., 2008).

The process of implementation involves several risks, such as over-standardization of systems and processes, lack of operational flexibility, unbalanced power concentration, increased system complexity, unclear service accountability, dampened employee morale, ineffective communication, unexpected implementation cost escalation and long project timelines (Cooke, 2006; Wagenaar, 2006). The decisions about the process of implementation are strategic and need to be aligned with the company's long-term sourcing strategy (Janssen & Joha, 2008). The experience suggests some transformation steps such as simplification, consolidation, insourcing and outsourcing (Gould & Magdieli, 2007). Richter (2021) argues that the main motivator for organizations to adopt the shared services model is cost efficiency which is achieved through the concentration of specialized resources to provide services efficiently (Richter, 2021).

A successful implementation depends on critical success factors identified in case studies from distinct global regions and companies with different objectives, one company has the objective of deliver efficiency savings and the other to be a driving force of innovation. These factors are a committed senior leadership, an evolutionary approach to roll out, the delivery of comprehensive training, union and staff relationship management, community and change support, help desk, and exploitation of new technology (Borman & Janssen, 2012). Furthermore, Ahmad et al. (2018) also highlights the importance of a senior-level support as a key success factor. In addition, points out efficient communication strategies and proactive change management approaches facilitating a

successful implementation (Ahmad et al., 2018). Moreover, human and organizational factors such as resistance is noted as an obstacle (Bergeron, 2003; Rai & Maheshwari, 2024). As well as, limited training and deficient leadership support, which are considered critical factors of success (Ribeiro et al., 2018).

2.2 Global Business Services

2.2.1 Definition

Certain corporations interpret the global business services model in a distinct way than others, some view it just as a cooperation among the shared services centers, with common forums to share learning, they believe that a loose global leadership structure that may lack direct support from corporate executive leadership is what sustain the unity among these centers. Then, the organizations that implement actual global business services view the opportunity as a fundamental new approach to manage all support activities throughout the corporation, together with a common leadership and governance structure aligned with the organizational goals (Deloitte, 2013).

Global Business Services is an advanced and effortlessly evolution of the shared services model. GBS coordinates the delivery of essential business support functions globally, using several service delivery models. It stands in the frontline of modern corporate development, driving optimal performance across support services like human resources, finance & accounting, information systems or legal (Zinnov, 2023).

According to Deloitte (2013), the GBS model is characterized by the five multi's: i) multi-function; ii) multi-region; iii) multi-location; iv) multi-sourced; v) multi-business. Multi-function states that GBS firms are multi-function by nature and have extensive integration across those same functions. Common functions such as finance; human resources, customer service, procurement and operations (e.g., logistics, supply chain). Additionally, a service orientation across business functions is essential as aligning various departments on a unified service delivery model improves internal processes, therefore leading to a greater organizational agility (Plugge et al., 2021)

Multi-region suggests that well-established GBS organizations supports all regions within an organization, offering these services in the Americas, Europe and Asia-Pacific. The increasing importance of the GBS model facilitates cross-border activities which is reflected by the need for organizations to internationalize their service delivery mechanisms through foreign direct investment and localized adaptation (Bryson et al., 2020).

Multi-location affirms that, as opposed to SSCs, that establish multiple centers across various regions, each dedicated to a different function. The GBS organizations prioritize performance by consolidating its presence in less locations. This allows risk mitigation and service continuity against global uncertainties (Olendiy et al., 2023).

The multi-sourced characteristic states that more developed organizations hold GBS accountable for service levels, while granting GBS the autonomy to decide the exact methods of delivering services. Allowing GBS to remain flexible and alert to fluctuations on market needs while maximizing quality and efficiency of services via strategic sourcing partnerships (Taguchi & Lar, 2024). Lastly, multi-business, GBS organizations generally support more than one business unit, implementing the best and the most sophisticated practices across the entire organization. A great cooperation between diverse business functions facilitates a unified service delivery, which is essential in fostering innovation and achieving economies of scale (Sewpersadh, 2023).

2.2.2 Benefits

The core benefit of GBS has always been providing cost savings. However, industry leaders now consider equally other elements such as cost, quality and capability when shifting activities to GBS. Beyond cost reductions, GBS enhances quality through process standardization and upskilling in centralized environments, which results from employees working within a centralized reporting environment (PricewaterhouseCoopers, 2021).

GBS outperforms in supplying an integrated framework for governance, location management and business practices across shared services and outsourcing activities. This integration is essential for setting key performance indicators (KPIs) for each function, creating sustainable workflows and improving communication to eliminate silos within business operations. The main goal of GBS is to provide complete support to the entire organization (Zinnov, 2023).

The growth of GBS creates opportunities for companies to expand their resource base. Business services enable companies to focus on unique opportunities while accessing the most efficient global service providers. From a strategic perspective, service sourcing will be a key challenge in maintaining a strong resource base. (Wirtz et al., 2015).

2.2.3 Implementation

Deloitte (2013) identifies six keys for the effective implementation of the Global Business Services model: i) decision on how far to go; ii) establishment of sponsorship at the highest executive levels; iii) definition of an effective leadership structure; iv) choose an organization structure that promotes

global integration; v) establishment ongoing process leadership; and vi) aggressive manage change (Deloitte, 2013).

Regarding the first key for the effective implementation, decision on how far to go, the progress should be performed by three stages: the sharing of support services operations without co-location, the sharing with co-location and the sharing with both co-location and enterprise-wide governance of GBS (Deloitte, 2013). The sharing of support services operations without co-location can be beneficial. The performance of services can also benefit from virtualization of networks, Chemodanov (2019) discuss the role of network virtualization in playing a key part in allowing integrated and collaborative environments by enabling several service entities to share and operate dynamically (Chemodanov et al., 2019). The sharing with co-location impacts positively inter professional relationships, facilitating more cohesive communication and team collaboration (Lalani & Marshall, 2022).

On the other hand, the establishment of sponsorship at the highest executive levels as the sponsorship at the organization's highest level is essential, supported by the fact that the GBS model breaks down barriers within the organizations, such as divisions based on functions, regions or business units (Deloitte, 2013). Embracing digital transformation requires leaders to promote collaborative and innovative organizational culture that emphasizes customer experience and performance (Mihardjo et al., 2019).

Another key aspect for the implementation is the definition of an effective leadership structure which affirms that numerous GBS managers' report to a member in the C-suite level, which probably ensures the senior executive sponsorship (Deloitte, 2013). Effective leadership enhances organizational success and societal standards by facing several challenges in a globalized context (Mayer et al., 2025). Sana et al. (2024) states that diverse leadership approaches have strong influence in employee motivation and organizational performance (Sana et al., 2024).

Choosing an organization structure that promotes global integration is another feature to consider. Companies that seek to enhance enterprise-wide efficiencies and ownership typically have their support services report through GBS. In contrast, less committed organizations to the GBS model are more likely to maintain separate reporting structures with individual functions. The former approach implements fully integrated GBS across all functions, ensuring an end-to-end integration. The second approach, without full integration across functions, only brings SSC together at the top level (Deloitte, 2013). Effective service governance is crucial in managing the interdependencies that may appear from the GBS model, thus endorsing higher responsiveness and flexibility when performing global operations (Plugge & Nikou, 2021).

Establishing ongoing process leadership as one of the advantages of the GBS model lies on the standardization of processes. A key enabler of effectiveness is the presence of process owners who oversee the execution of processes. For these roles to be effective, they need to be set up as cross-organization or group-wide mandates, equipped with the authority to enforce standards and drive change. In certain situations, global process owners can also have the "pay-and-rations control" over the personnel working in their process areas (Deloitte, 2013). Although current standards for defining business processes are well-established, there remains an significant opportunity to standardize simulation parameters, which facilitates a more comprehensive understanding of process performance dynamics (Januszczak & Hook, 2011).

Lastly, aggressive manage change, establishing a GBS model demands substantial change, impacting a range of functions and business stakeholders. It is essential to generate a structured change and communications plan in anticipation, helping ensure that delivery of clear and consistent messages to all functions and stakeholders (Deloitte, 2013). A thorough understanding of the interplay between services and business processes is crucial for managing changes in service-oriented environments, where small changes in one may have significant effects on the other (Wang et al., 2010).

2.3 Shared Services Center vs. Global Business Services

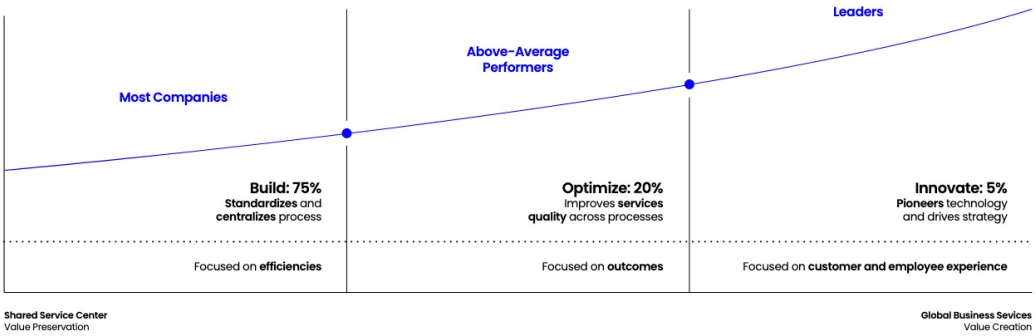
2.3.1 The Transformation from a SSC to a GBS model

Since the late 20th century, the SSC model has gained a lot of traction with over 80% of Fortune 500 firms adopting it into their services. Driven by its proven efficiency and effectiveness, the SSC strategy has become widely accepted (Zinnov, 2023). GBS has grown on this development, evolving into an enterprise-wide model known by its ability to efficiently serve multiple business functions (Zinnov, 2023).

Shared services, by continuing to offer cost efficiencies and taking on new roles and responsibilities, progress along the maturity curve towards the GBS model (figure 1). There is a growing attention into turning SSC into GBS (Celoris, 2021). Organizations that succeed this transformation, shift from being reactive to proactive. They go beyond influencing operating margins and evolve into more strategic partners to the business, generating value in terms of outcome and customer experience (Celoris, 2021). According to figure 1, the build stage, where 75% of companies are, is focused on efficiencies, as for the second stage is driven by optimization and the final stage of customer and employee experience focus. Which are a characteristics of SSC where the goal is to achieve an enhanced service quality, generate value and efficiency (Bergeron, 2003). Additionally,

the SSC are determined in serving customers by improving service quality and handling customer's feedback (Hong, 2025).

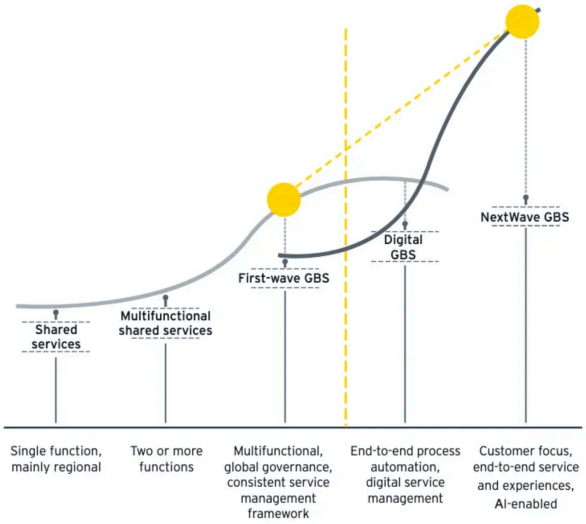
Figure 1: The evolution of Shared Services towards Global Business Services



Source: Celonis (2021).

Furthermore, EY reports that both SSC and GBS organizations have been performing as "back-office processing units", with the responsibility of driving cost reduction and increase productivity (Ernst & Young, 2023). Organizations started as single-function and mainly regional shared services and progressing into integrated and cross-functional GBS units. These business units leverages, enhanced levels of process harmonization and consistency, business process outsourcing and automation through the usage of advanced technologies (figure 2) (Ernst & Young, 2023b).

Figure 2: The maturity of Global Business Services



Source: Ernst & Young (2023).

2.3.2 The future of GBS

Despite major disruptions during the initial months of the COVID-19 pandemic, a study of PricewaterouceCoopers (2021) concluded that 40% of the companies surveyed did intend to adjust their GBS strategy, while 18% expressed interest in pursuing more ambitious GBS plans. These finding suggest that COVID-19 has accelerated digitalization and made employment less dependent on a single workplace. Furthermore, companies rapidly made the work-from-home transaction very quickly in response to the crisis. Additionally, standardization has improved beyond the levels observed prior to the COVID-19 pandemic (PricewaterhouseCoopers, 2021). During the pandemic, GBS companies showed agility by rapidly adapted and adjusted to a home-office regime and reconfiguring their business operations. Which allowed to some GBS organizations to perform better rewarding their workers. Moreover, working from home increased employees' relationship across multiple departments and entities, and, in some cases, more flexibility and more efficient when performing their job (Sanusi et al., 2022).

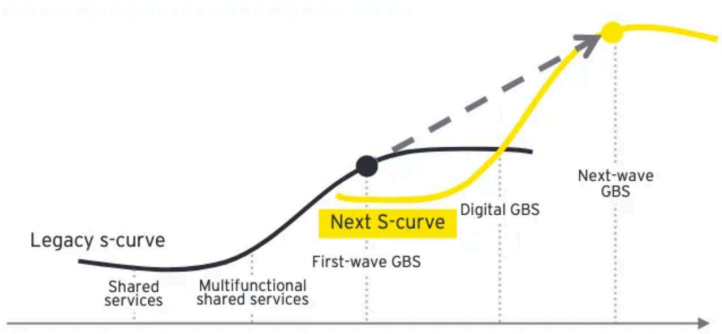
Companies are now mostly focusing on further digitalization of their services, with artificial intelligence and robotic process automation emerging as critical tools. Developments indicate that the emphasis on digitalization is surpassing the focus on standardization (PricewaterhouseCoopers, 2021). In order to enhance the effectiveness of work processes, there are future plans to integrate artificial intelligence technology into robotic process automation (Fernandez & Aman, 2021).

Being automation a crucial focus for GBS, it provides a great framework for organizations to deliver value by cutting expenses of ownership while funding innovation. McKinsey Global Institute predicts that, by 2030, automation will likely affect 60 percent of all jobs. As in the financial area, it is estimated that more than 40 percent of jobs can be either partially or fully automated in next ten years (McKinsey & Company, 2021).

HighRadius (2022) stated that the GBS industry expected to double in size over the next five years and become a key driver of digital transformation. This presents to GBS leaders an ideal opportunity to reevaluate and reshape their organizations to foster innovation (HighRadius, 2022).

To advance to the next s-curve of GBS, (next-wave GBS), organizations rely on strong global process owners to drive the expansion of GBS' scope of responsibilities, while establishing capabilities to generate new sources of value (figure 3) (Ernst & Young, 2023).

Figure 3: Global Business Services' Next S-curve



Source: Ernst & Young 2023 – Discover what's next for global process

2.4 Organizational Agility

2.4.1 Definition

Organizational agility goes beyond companies' ability of rapidly adapt when confronted with changes, it considers all the aspects of the business. It ensures a constant alignment with strategies, allowing to maximize the value delivered to the customers and maintaining a culture of continuous innovation (Gonçalves, 2024). It can be viewed as the organization's capacity to efficiently and effectively reallocate its resources to value creating and value protecting activities with higher-yield as internal and external circumstances demands. Maintaining and developing organizational agility can be costly and it can increase even more if it does not exist. Furthermore, it is not a one-size-fits-all solution (Teece et. al, 2016).

Walter (2021) defines organizational agility as "a learned, permanently available dynamic capability that can be performed to a necessary degree in a quick and efficient fashion, and whenever needed in order to increase business performance in a volatile market environment." (Walter, 2021, p. 379)

Organizational agility can be achieved by integration of several capabilities such as flexibility, adaptability and versatility which are often misconceived as alternatives notions to organizational agility (Desalegn et al., 2024). El Nsour (2021) asserts that organizational agility is significantly shaped by competitive advantage. Furthermore, organizational agility is progressively recognized as a critical determinant in accomplishing sustained competitive advantage, particularly within the knowledge-intensive and Information Technology (IT) sectors (El Nsour, 2021).

2.4.2 Benefits

Organizational agility is a dynamic capability critical for a firm's success, however, requires time to be developed. To navigate volatile markets, organizations should develop it in advance. Only

agility is insufficient for improving firm performance. The benefits of agility are realized when firms have the right absorptive capacity, especially when it is highly developed (Cho et al., 2022).

Agility provides good benefits on the operational level in many types of businesses. However, it might not have the same impact in highly regulated industries with strict rules that reduces flexibility. Furthermore, organizations that resist to changes, introducing agility can be challenging (Fasnacht & Proba, 2024).

Companies with strong operational and competitive advantages are better positioned to adapt their environments, boosting performance and innovation outputs. This ability is crucial in events such as the COVID-19 pandemic, where agile healthcare organizations made quick adjustments in strategies and service delivery, to enhance effectiveness (Akkaya & Mert, 2022).

Additionally, organizational agility encourages innovation by allowing firms to adapt to shifts in customer preferences and market conditions. It contributes to dynamic capabilities, particularly the organization's ability to sense and exploit opportunities, which creates favorable conditions for innovation (Abrishamkar et al., 2021; Akkaya & Qaisar, 2021). Research shows a positive correlation between organizational agility and technical IT capabilities, emphasizing the importance of integrating IT resources to aid agile practices (Gao et al., 2020).

2.4.3 Global Business Services and Organizational Agility

By establishing standardized conditions, GBS teams facilitate business units' agile projects to thrive. This is relevant as organizations shifting from large, costly technology, long-duration initiatives which are continuously making use of agile methods to develop and supply products and services (Daub et al., 2020).

The Economic Intelligence Unit conducted a survey in which 88% of executives believe that agility is essential to the success of global businesses, backing its role as a crucial competitive advantage (Li, 2022). In multinational organizations, strategic agility enables the management tensions between local responsiveness and global standardization, showing the importance of agility within the Global Business Services context (Fourné et al., 2014).

Cho et al. (2022)state that an organization's absorptive capacity, its ability to acquire external knowledge, affects the relationship between agility and performance. This suggests that companies with strong capabilities in knowledge acquisition and dissemination are better positioned to foster innovation and maintain competitive advantages.

3. METHODOLOGY

Regarding the ontological approach, this work will follow a subjectivist approach. As subjectivism is linked with qualitative research methods which focus on individuals' personal experiences. The research must be fully based on the insights and meanings of the people being studied (Schutz 1970, as cited in Pervin & Mokhtar, 2022). In terms of epistemological approach, interpretivism relies on researchers to use qualitative approaches in collecting and analyzing data, which indicates that researchers look forward to gain in-depth and rich meanings from a smaller number of participants in interviews (Sol & Heng, 2022). For the research approach, the more suitable for this work is the inductive approach, since it resumes extensive raw text data into a summary; it enables connections between the research objectives and the results provided by the raw data and it enables the development of theories or models and to construct theories or models containing the experiences or processes reflected in the text data (Thomas, 2006).

Therefore, the methodological choice for this work is a qualitative study. This type of research method can be characterized as the study of the nature of phenomena and used for getting answers for questions of how and why something happens, especially when faced with complex situations or trying to improve something (Busetto et al., 2020).

Regarding research strategies, it would be through a case study since this is a work which analyses the reality of a certain organization. A case study tries to get a comprehensive understanding of the event that's being studied but at the same time to produce more general theoretical statements about regularities in the observed phenomena (Fidel, 1984). Regarding data collection, semi-structured interviews would be an appropriate procedure to follow. It is a mix of structured interviews and unstructured interviews, where the questions are planned before the interview but the person being interviewed has the freedom to elaborate and explain the subjects through open-ended questions and to deviate from the initially established line of questioning. Appropriate to researchers who have a solid understanding of their topic, allowing them elaborate and ask relevant questions (Alsaawi, 2014).

The time horizon of this work is cross-sectional, since it involves the observation of variables, which can be cases, individuals or other types of data. The research captures a "photograph" of the facts of interest, which are the variables, instead than a "film" showing the progression. Additionally, a cross-sectional study allows the researchers to directly observe the phenomena under investigation, enabling data collection within a short period of time, not requiring the follow-up of participants and produce faster outcomes (Zangirolami-Raimundo et al., 2018).

As already mentioned, the data collection was performed through semi-structured interviews allowing interviewees to provide flexible responses according to their perceptions, maintaining a common ground for all interviews.

The interviews were performed via online through the software Microsoft Teams. Six interviews were conducted, with a duration of around 30 minutes each. The interviewees were selected due to their role and due to their presence in the organization during the period of the transition. From the six interviewees, three held operational roles and the remaining three leadership/managerial roles, which provides perspectives from different roles leading to more detailed conclusions.

The interview guides were made taking into consideration the research objectives and the literature reviewed for this paper, allowing to prove if the findings converge or diverge according to the existing literature.

The participants selected for this study were all employees who experienced the organizational transition from a Shared Services Center (SSC) to a Global Business Services (GBS) model. The involvement of the individuals was grounded in their experience and perception on this organizational change as well as their views regarding the GBS model. A total of six interviews were conducted, in which three individuals held operational roles and three occupied management positions.

Table I: Respondents' Positions and Interview Duration

Interviewees	Position at the time	Current Position	Interview Duration
Operational 1 (O1)	Administrative role, focused on Intercompany Clearing and Suppliers' Payments tasks	Administrative Role, focused on Accounts Payable tasks	14 minutes and 26 seconds
Operational 2 (O2)	Administrative Role, focused on Cash & Bank tasks	Administrative Role, focused on Accounts Receivables and Cash & Bank tasks	26 minutes and 50 seconds
Operational 3 (O3)	Administrative Role, focused on Accounts Payable tasks	Administrative Role, focused on Payments and Reporting tasks	22 minutes and 30 seconds
Leader 1 (L1)	Service Line Manager for Accounts Payable	Team Leader of a Record to Report Center of Competence	21 minutes and 7 seconds
Leader 2 (L2)	Head of Operations, focused on aligning and reconciling multiple service lines	Service Line Manager responsible for the accounting area	40 minutes and 46 seconds
Leader 3 (L3)	Head of the Business Shared Service, later evolved into Opportunity to Cash	Global head of Delivery Management	25 minutes and 9 seconds

Source: Author's own elaboration

4. Data Analysis and Discussion of Results

4.1 Introduction

In this chapter, the data collected through interviews will be presented, analyzed and discussed. The data is organized into two types of positions within the organization: operational and managerial roles. Therefore, two separate interview guides were developed. Firstly, the findings will be presented and subsequently interpreted according to the existing literature.

4.2 Profile of the Organization

Siemens & Halske was founded by the German inventors Werner von Siemens and Johann Georg Halske, laying the groundwork for what is today, Siemens AG. The brand Siemens has been present in Portugal since 1862, initially through the first commercial engagements. Thereafter, in 1895, Siemens & Halske established an Iberian technical office in Madrid. A decade later, Companhia Portuguesa de Electricidade Siemens-Schuckertwerke starts its operations with a regional office in Lisbon. This firm evolved into what is known today as Siemens S.A. in Portugal.

Established in 2005, with a team of only 13 employees, SASC Portugal (Shared Accounting Service Center) served clients in Portugal and Italy. In 2019, the transition occurred, now called Global Business Services (GBS) Portugal. By 2023, was already a highly innovating hub, employing over 1200 individuals, from 55 nationalities. Today, GBS Portugal delivers services to more than 60 countries, with a vast specialized, value-added service portfolio, with a strong focus on digitalization in areas such as financial services, human resources and logistics management. Besides the Lisbon HUB, which supports Western Europe and Africa, Siemens GBS operates global hubs in Czech Republic (Central & Eastern Europe), India (Asia-Pacific), Mexico (Americas) and has a service unit in Germany.

4.3 Results

4.3.1 Shared Service Center (SSC) to Global Business Services (GBS)

Operational Roles

The transition from a Shared Service Center (SSC) model to a Global Business Services (GBS) model occurred in a gradual and organic way, with no major disruption. As a result, they find it difficult to identify a turning point. The shift was communicated through formal channels, there was no specific event to mark the first day of the implementation of the GBS model. This organizational

evolution was driven by the need to extend services to additional countries and to enhance organization's notoriety at an external level, particularly among customers.

In terms of daily work tasks, the personnel did not perceive any immediate changes when performing their assignments. However, some participants suggested that the effects of the transition became more apparent over time due to the GBS model's capacity to perform new services to customers, which leads to new tasks and hiring new employees increasing the labor force to accommodate new obligations.

Regarding trainings or support initiatives to facilitate the transition process, interviewees reported that no learning programs were implemented. Concerning the employee adaptation, responses indicated an absence of resistance, due to the organization's efforts to ensure the well-being of their employees. However, some personnel transfers occurred between Siemens entities, but these movements did not translate into changing functions, which remained untouched despite the organizational restructuring.

From the perspective of employees, the leadership role is crucial for a successful implementation and ongoing operation of the GBS. Participants emphasized that it is not an easy responsibility, since the leaders need to assure the motivation and manage anxiety levels among the personnel specially when this type of organizational structural changes occurs. To ensure operational continuity, leaders should recognize and appreciate employees' contributions, reinforcing positive performance through visible acknowledgement. Furthermore, it was stated that leadership has dual responsibility: on one hand, keep customers satisfied and on the other, safeguard employees' well-being. This balance is essential to accommodate client requests without leading to negative consequences for the workforce. Additionally, leaders must be mindful of the possibility of the service being transferred to another HUB of the GBS. Therefore, strong communication skills are essential allowing leaders to advocate for organizational interests while minimizing the potential for internal or external conflict.

Management Roles

For managers, the motivations behind the transition were justified by the ambition to elevate the shared service model to the next level. The interviewee L1 stated: "*Being an international company, and since we were providing services to several countries in Europe at the time, the purpose of becoming GBS was to expand the services and provide better performance for the company at a global level, rather than being focused on just one region.*" According to L2, the primary goal was to centralize services, tasks and resources, through labor arbitrage, followed by standardize processes and automation of a vast majority of processes. By transitioning from a shared service center to a global business service, Siemens tried reaching the "next level", in organizing end-to-end processes

such as opportunity to cost, record to report and hire to retire. Furthermore, the GBS model allows to maximize the strengths and capacities of each region, fostering cooperation between them. The third interviewee is aligned with the other interviewees, stating that this transition was the natural path to follow, what has expected was to use economies of scale to reduce costs and harmonize processes at a global level.

Regarding training initiatives, the managers corroborate the employees' statement concerning the absence of programs to promote development of new skills to support the transition. The managers considered such initiatives unnecessary since the nature of the work remained unchanged. The scope was expanded and over time there was capacity to perform new services.

Regarding the role of leadership, interviewee L1 emphasized its importance during periods of changes, since the leadership levels need to perform a successful change management. This includes a good communication plan, the availability to explain, clarify and present the motivations and rationale behind the change to avoid misunderstandings. In an organization of this dimension, changes are often driven by the necessity to adapt to the world, the economy and other ongoing transformations. Manager L3 stated: "*I believe the main function is communication. That is, being in constant interaction and continuous contact with all employees, effectively explaining the reasons behind things...*". In addition, it was emphasized that effective leadership involves promoting flexibility and adaptability

The leader L2 highlighted that leadership should be both flexible and capable of maintaining a degree of top-down structure to ensure the alignment with organization's global strategy. Additionally, this individual reflected the evolution of the leadership role from the SSC model to the GBS model. Previously, the leadership was primarily focused on process centralization, recruitment, employee training to meet workflow demands and the adoption of a stricter style focused on standardization and execution. Following the transition to the GBS model, the focus shifted to value the local strengths and enhance its contribution to the company; to identify areas where the region stands out, promote best practices and close collaboration with the global management.

Concerning the employees' adaptation, as previously mentioned by the individuals in operational roles, there was a communication plan. However, the managers noted that clarification sessions and public meetings were conducted to ensure that employees were informed about all the aspects of this transaction. Respondent L1 stated effective communication and clarification are essential to prevent any kind of resistance from employees. While significant resistance was not reported, interviewee L1 acknowledged that: "*Whenever there is a change, there will always be some resistance, which over time tends to ease on its own...*". Nevertheless, such resistance is seen as manageable and expected to

be reduce over time. This reaction happens due to the context of shared services frequently being subject to changes and integration of new companies. Also, the dynamic and constant transformation environment facilitated the adaptation to the GBS model.

4.3.2 GBS model: Benefits, Challenges and Strategic Value

Operational Roles

For the operational personnel, who experienced zero or only minor changes in their daily work, the implementation of the GBS model brought significant benefits. Allowing the acquirement of new knowledge through the exchange of know-how between countries, facilitated by the allocation or reallocation of tasks between HUBs located in different regions.

The challenges faced by the GBS, more specifically the Lisbon HUB, include finding new opportunities to expand the business and maintain employees motivated. However, the most significant challenge is to ensure the quality on the services and remain the customers' preferred HUB, consequently securing services in Portugal. This is important as other HUBs may offer lower costs due to cheaper labor. To prevent such scenario, employees believe that maintaining constant contact with the client, improving the relationship, understanding customers' expectations and meet those expectations are key strategies. Additionally, such efforts may lead to the acquisition of new operations from the client. Other approaches to address these and future challenges include the constant training of the personnel, sustaining motivation, leading to enhanced performance, and leveraging competitive advantages unique to the Portuguese HUB.

Regarding strategic values provided by the GBS model, participants shared different perspectives. Interviewee O1 referred that strong performance and a positive relationship with the client contributed to the expansion of services delivered by the Lisbon HUB. As stated by O1: "*Over the years, with the way we operated and our relationship with the client, we started taking on new activities...*". Initially limited to functions related with Account Payables, Account Receivables and Master Data. Additionally, the process standardization, improvements in reporting and implementation of new processes were highlighted by the 3 interviewees as benefits brought by the GBS model, factors that collectively led to greater strategic value. Moreover, the exchange of knowledge between HUBs was seen as a potential driver of further improvements and more efficient ways of working.

The expansion of the workforce was mentioned as a significant development. Individual O2 did not feel significant changes at the operational level but emphasized the swift toward the consistent use of a single language for both written and spoken communication while performing daily activities.

In addition, the GBS model was recognized as a facilitator of greater workforce diversity, enabling individuals from different backgrounds to contribute added value within a multinational context. Moreover, respondent O3 shared their experience in previous workplaces, multinational companies that did not adopt the GBS model, and this person expressed a strong preference for this model, as it supports workplace learning and reinforces relationships between employees. Based on these aspects, the interviewee O3 reported only seeing benefits resulting from the implementation of the GBS.

All three respondents believe the GBS can foster innovation and generate strategic value. The participants O2 and O3 provided similar responses, stating that hiring younger employees with some experience from other organizations, or even people already on the organization, introduces new perspectives which can lead to questioning processes and proposing a more efficient and effective way of performing tasks. This results in time-saving improvements in activities that are necessary but do not add value to the company. Altogether, these factors promote innovation and create a participatory culture focused on process improvements.

Management Roles

According to interviewee L2, the primary benefit of the GBS model is the organization's evolution towards a more global structure. Building on the foundation of centralized processes established under the SSC model, the GBS model enables the organization to focus on more efficient processes, including automation and the strategic usage of each region's strength to benefit the organization in a global context. For interviewee L1, the GBS facilitated the opening of borders, as previously with the SSC model, the focus was only on southwest Europe. L2 added that by reaching more countries, new opportunities emerged, enabling the provision of new services that add greater value to the company, such as controlling services, tax services, engineering functions and real estate activities. Overall, the GBS model was considered highly beneficial, as it enabled a broader range of services, the acquisition of new knowledge, increased opportunities and enhancement of employees' development. Furthermore, the GBS model positioned the Lisbon HUB as a strategic support point, allowing to reallocate tasks and generate quick efficiencies, maintaining global demand capacity. Interviewee L3 affirmed that: "*If we think in theoretical terms, the goal of the GBS model is to have a more global landscape, where greater synergies can be created at a global level, with services that can be delivered from one or two locations to the entire world, instead of being spread across ten different sites, ultimately providing more efficiency to the internal client, lower costs, and, essentially, more harmonized processes.*".

With the GBS model established, the organization faces multiple challenges. Interviewee L2 stated that a major challenge lies in balancing between regional and global objectives, achieving the region's

goals while contributing to company's worldwide strategy. Another challenge identified by the same respondent is ensuring effective communication, to guarantee that all parts of the GBS model understand their roles and how to contribute. Additionally, there is the increasing focus on performance measures through the implementation of more transparent and global key performance indicators (KPI). Enabling global performance evaluation, to identify areas of improvement and guide the organization towards a more efficient service provision.

Interviewee L1 highlighted that the primary challenge is controlling the costs associated with maintaining an increasingly qualified HUB. Furthermore, there is also the need to automate tasks that: do not motivate employees, offers limited opportunities for personal development and provide minimal added value. Therefore, the objective is to shift the focus on technical skills rather than processes, encouraging employees to connect with new technologies and to perceive technologies has an ally and not as a threat. Expecting to lead to new ways of executing processes, more practical and linear.

For respondent L3, it was difficult to find tangible challenges within the GBS model but more external obstacles from the global context. This external pressure may result in poorly executed process harmonization, consequently, may lead to the omission of critical steps that could have adverse long-term effects. To address these challenges, it is being implemented digital platforms that enable service unification at a global level. The objective is to combine services with a client-oriented approach, aiming to accelerate the transformation process.

Regarding strategic value, interviewee L2 noted that the GBS model brought greater flexibility to the organization, enabling it to rapidly adapt to financial challenges by reallocating tasks and optimizing resources. In addition, the centralization and automation of processes and tasks that are not considered core activities for Siemens have allowed to focus on strategic activities. The model facilitated a new range of added value services such as engineering, tax and business solutions, marking an evolution from the shared service center model towards an end-to-end logic of processes.

Additionally, interviewee L1 expressed the benefit of the GBS model in bringing strategic value since it does not restrict the scope of services provided. By evolving into a GBS, the organization gains synergies and added value, fosters its own development and enhances agility. Processes are more fluid and in a human resources management perspective there are development opportunities that did not exist previously.

Interviewee L3 also agreed with the ability of the GBS model to provide strategic value. Playing a key role in enhancing market positioning, enabling greater investment in platforms and IT/AI solutions that drive operational efficiency and improve the level of compliance in service delivery.

Regarding the GBS model's ability to foster innovation and create strategic value, one respondent emphasized that the transition enabled a shift from task-level optimization to a broader focus on global automation, standardization and innovation. An example is the implementation of the Cash Collector Management Tool, which allowed client interaction tracking, prioritized collection based on invoice value and delay and enabled automated payment recognition, generating efficiencies and resources savings. The GBS structure promotes innovation by using benchmarking tools and practices across regions, defining global best practices and scaling them. Interviewee L1 highlighted the importance of innovation in accelerating business processes by understanding client needs and eliminating time-consuming steps. For example, in the accounting area, the monthly closing cycle can delay strategic reporting. Through automation of operational processes, the GBS can help reduce closing time, enabling faster delivery of reports that are crucial for decision-making.

4.3.3 GBS and Organizational Agility

Operational Roles

The GBS model appears to promote organizational agility, as supported by employees' statements. Agility within the organization is exemplified by its response to crises such as COVID-19 pandemic. Prior to the pandemic, the company had already implemented the home office regime, allowing employees to work from home two days per week. During the pandemic, Siemens adapted by extending remote work to a full week. Additionally, all employees were equipped with their own laptop and their own company smartphone, eliminating the reliance on landlines telephone and enabling greater mobility, which facilitates workers' ability to work from locations outside the office. Therefore, COVID-19 did not had a major impact on the organization. While the people felt the typical challenges faced globally, in terms of organizational structure there was no changes. As one of the individuals stated, it was an easy adaptation, the primary challenge was to continue to operate normally amid the crisis. Overall, according to the three employees, the pandemic did not result in any significant changes to processes.

To respond effectively to disruption in real-time, Siemens GBS has a contingency plan known as Business Continuity Management (BCM). Additionally, granting people access to others' tasks, enabling them to temporarily take over critical responsibilities when necessary. For instance, a recent event on 28th April 2025 – a blackout affected Portugal and Spain for an entire day – led to a complete interruption of activities. To reduce the impact of this event, their team prioritized tasks and people that were able to work, aided as long as possible to minimize disruption. Additionally, Siemens headquarters is equipped with generators and people facing urgent deadlines, went there to proceed with their work.

Management Roles

The managers agreed with employees that the GBS model fosters organizational agility. During the COVID-19 pandemic, the Lisbon HUB demonstrated an agile response in addressing the challenges. A flexible home office regime had already been implemented, which facilitated the adaptation to the pandemic restrictions without compromising operational obligations. As interviewee L2 stated, even prior to the government mandated lockdown, Siemens conducted internal tests with 100% of workforce working remotely, thereby ensuring that technology infrastructures functioned flawlessly, demonstrating both agility and capacity for anticipation. The pandemic accelerated the integration and maturity of the GBS model by intensifying virtual collaboration across regions and consolidating global communication. Furthermore, this showed GBS ability to be a resilient model, as it enabled the organization to maintain effective operations, with access to good practices globally and teams prepared to work remotely.

To address disruptions, the managers also referred the Business Continuity Management (BCM) as a key instrument, including recovery times, process documentation and operational redundancy. One interviewee pointed out the strategic separation between front and back-office, as an approach that enhances flexibilities and resilience. Activities with more added value and more sensitive are established in more stable and knowledge regions while standardized operational tasks are performed in lower-cost regions. As regards the power outage event that affected Portugal and Spain on the 28th of April 2025, reports from that day were consistent with employees' perspective. Manager L2 added that the India HUB kept the operations going without compromising the April month-end closing which was already ongoing. In reference to this event, two interviewees highlighted the same key aspect which is the multi-region aspect of the GBS model, which avoids concentrating all activities in the same location. This reenforced the importance of the hybrid model, a strategy recognized and appreciated by Siemens' governance.

4.3.4 Future Projections of the GBS model

Operational Roles

According to the interviewees, digitalization has had, and continues to have, crucial impact in enhancing the daily work processes at Siemens GBS. For example, at the beginning of the shared services at Siemens, documentation was physically sent via mail to Lisbon from the customers' location, often taking several days or weeks to arrive. In contrast, currently is much easier and quicker as almost all the documentation is sent via e-mail.

Regarding the present and the future, they believe artificial intelligence (AI) will play a significant role in shaping what lies ahead. Currently, only one of the three employees sometimes uses an AI

software to assist in drafting a more carefully worded e-mail if required, but for the routine tasks it is not necessary. Robotic process automation (RPA) is integrated into their daily tasks and is expected to be more present in the future. The given examples are using RPA for the implementation of a robot called SCAN, which facilitates the upload of invoices in account payables activities. Employee O2, involved in account receivables, provided another example of RPA usage in form of a software robot that automates the upload of bank statements.

Another technology utilized by the employees, are cloud solutions. These tools simplify the sending, uploading and downloading of files which is essential given the flexible regime of home office at the Lisbon HUB. Employees can access Siemens cloud from anywhere, using only their company laptop or smartphone and have an internet connection

Management Roles

In response to the question about emerging technologies relevant to operational efficiency and customer experience within the GBS model, interviewees emphasized the importance of advanced automation, like RPA and artificial intelligence. Respondent L2 highlighted the evolution from initial automation tools such as robotic process automation (RPA) and robotic desktop automation (RDA), which were seen as quick wins but shown limited for end-to-end processes. The current focus has shifted toward other solutions, including low-code platforms like Mendix (which is a Siemens business), financial automation tools such as Blackline and Redwood, structured workflow technologies like Pega (Pegasystems Inc.) and integration of AI for more complex subprocesses. This interviewee also pointed out to the technology bionic agents, which consists in collaboration between humans and AI to enhance both operational tasks. Interviewee L1 also underlined AI as the most frequently discussed emerging technology. In the accounting context, the individual suggested AI could do predictive analysis during closing periods, enabling earlier delivery of insights to decision-makers and reducing the need for manual and detailed reporting.

Interviewees acknowledged the contribution of technologies like RPA, AI and cloud solution while also noting limitations and future directions. Respondent L2 described the model's evolution, from task centralization for cost efficiency to process standardization that enabled automation. The current focus is on applying AI to manual subprocesses, such as reading emails, interpreting documents, selecting accounts and automating postings, enabling the creation of bionic agents. Interviewee L1 emphasized RPA's ability for repetitive tasks in accounting tasks like customer billing, supplier payments and general accounting while noticing its sensitivity to changes within processes. In contrast, they viewed AI as highly promising due to its adaptability and the ease of accessing information, although validation remains crucial. Interviewee L3 highlighted that the global context

of the GBS model *"allows for an investment that gives us access to much more technology than any other model in which we would be more isolated and more decentralized in terms of service*". This manager also pointed out the positive contributions of RPA in process automation. Regarding AI, it was described as a world to explore, it must be adapted to fit processes, which themselves need to be harmonized to benefit from AI. Once the processes are clearly defined, RPA can automatize specific steps and subsequently AI can improve them. An example provided, is the use of AI to overcome language barriers particularly in cases where individuals do not speak or write English. AI is seen as a potential game changer for process improvement.

5. DISCUSSION OF THE FINDINGS

5.1 Transition from Shared Service to Global Business Services

As reported by all interviewees, the transition from the Shared Service Center (SSC) model to the Global Business Services (GBS) model occurred in a smooth and natural way with no significant disruptions. Furthermore, the transition aimed to expand service provision and improve performance at a global level, in contrast to the regional focus characteristic of the SSC model, as well as to centralize services, tasks and resources. This finding is consistent with the literature by Zinnov (2023) which describes GBS as an advanced and seamless evolution of the SSC model. Similarly, it is also in line with the argument of Celoris (2021) highlighting that SSCs progress along the maturity curve towards GBS, thereby shifting the organization from being reactive to proactive. In the same vein, Wirtz et al. (2025) argues that the GBS growth enables opportunities for companies to expand their resource base. Overall, the goal was to elevate the shared service model to a higher level by organizing end-to-end processes. Siemens had the global context to successfully implement the GBS model as supported by Deloitte (2013) which argues that an organization structure promoting global integration is a critical factor when introducing the GBS model. Moreover, fully integrated GBS across all functions, ensures an end-to-end integration, as desired by Siemens.

Furthermore, as noted by one interviewee in a leadership position, the GBS model allows the organization to leverage strengths and capacities of each region, thereby enhancing cross-regional collaboration. Another interviewee underlined the reduction in the number of HUBs following the implementation of the GBS model, with only five HUBs currently supporting the entire organization worldwide. This perspective goes to the encounter of the literature by Deloitte (2013) and Olendiy et al. (2023) as multi-location prioritize performance by consolidating operations in less locations, rather

than maintaining several centers across regions, allowing risk mitigation and ensuring service continuity.

Concerning daily work tasks and training initiatives, employees did not report any significant adjustments on their activities. However, some reports suggest that changes in perceptions may appear over time, given the GBS model's capacity to introduce new services. Moreover, no major resistance was observed by employees, a view that is also shared by managers. As a result, there has been an absence of training or support initiatives to aid the transition to the GBS model. Therefore, both the interviews conducted, and the literature reviewed in this work suggests that professional developments programs typically occur during the initial adoption of the SSC model, rather than during the transition to the GBS model. Borman & Janssen (2012) identify comprehensive training as one of several critical success factors in the successful implementation of the SSC model. Rai & Maheshwari (2024) and Bergeron (2003) emphasize that resistance and Ribeiro et al. (2018) notes that insufficient training are both considered as obstacles in such transition processes.

Regarding information dissemination during GBS implementation, both operational and managerial roles confirm the existence of a communication plan, which included clarification sessions. One interviewee emphasized the need of effective communication to avoid resistance. This aligns with Cooke (2006) and Wagenaar (2006), who claim that ineffective communication is an implementation risk of shared services. Similarly, Ahmad et al. (2018) highlights that efficient communication strategies are crucial for a well-executed implementation. Although these studies refer to the implementation of the SSC model, the emphasis on information exchange during the GBS implementation reinforces the notion of the GBS being an evolution of the SSC. In addition, Deloitte (2013) underscores the need for a communication plan in anticipation to ensure clear and consistent messages across functions and stakeholders. Wang et al. (2010) note the understanding of the interdependencies between services and business processes as crucial to manage change. Therefore, an effective communication plan is crucial for all parties involved to understand their roles during a structural change.

Building upon the previous point, a managerial interviewee, emphasized that leadership plays a crucial role during periods of transformation. Effective leadership is seen as essential for successful change management, which is linked to the presence of a clear and structured communication plan. Reinforcing the insights provided by Deloitte (2013) which identifies leadership and communication as key elements for GBS implementation. Given that this model demands substantial change, affecting a range of functions and stakeholders. A structured approach to change management, supported by a communication strategy is essential.

As for the role of leadership during the GBS implementation, interviewees identified it as a critical role to perform during transition and ongoing operations. Deloitte (2013) emphasizes that ongoing process leadership as one of the advantages of the GBS model particularly through the standardization of processes. Additionally, a distinction is noted between SSC and GBS leadership. While the SSC leadership focus was on process centralization, recruitment, training, standardization and execution, the GBS emphasizes leveraging local strengths, promote best practices and foster collaboration with global management. Janusczak & Hook (2011) highlight the importance of standardization, adding that although current standards for defining business processes are well-established, it remains a gap to standardize simulation parameters to facilitate the understanding of process performance dynamics.

Employees acknowledged that managerial positions during structural change is challenging. Managers should be able to balance customer satisfaction and employee well-being while recognizing staff contributions, therefore avoiding decisions that might potentialize conflicts. This is in line with the findings of Sana et al. (2024), who stated that leadership approaches have strong influence in employee motivation and organizational performance.

Furthermore, leadership is expected to be both flexible and capable of maintaining a top-down structure to align with the organization's global strategy, ensuring the senior executive sponsorship as supported by Deloitte (2013). In addition, Mayer et al. (2025) argue that effective leadership not only enhances organization success but also societal standards by addressing challenges in a globalized context.

In conclusion, these perspectives align with four of the six keys for an effective implementation of the GBS model, identified by Deloitte (2013): the establishment of sponsorship at the highest levels; definition of an effective leadership structure; establishment ongoing process leadership and aggressive management of change.

5.2 GBS Model: Benefits, Challenges and Strategic Value

For the operational personnel, who felt little to no change in daily tasks, the GBS model was perceived as beneficial. It promoted knowledge exchange between regions through tasks reallocation across regional HUBs. Key benefits of the GBS model include a shift toward a global structure, greater process efficiency through automation and the usage of regional strengths. GBS expanded operations to more countries, opening new opportunities and provision of new services. Additionally, the Lisbon HUB emerged as a strategic support center, reinforcing global capacity and efficiency. These findings agree with Wirtz et al. (2015), as the growth of GBS creates opportunities for companies to expand their resource base and to focus on unique opportunities while accessing

efficient global service providers. Zinnov (2023) states that the main goal of the GBS is to provide to the entire organization, as seen at Siemens, where few HUBs support the entire organization worldwide. Ensuring end-to-end processes integration as observed by Deloitte (2013).

Within the Lisbon HUB, the model faces several challenges, including identifying new business opportunities, sustaining employee motivation and ensuring service quality to remain competitive, especially being confronted with cost competition from other regions. This is consistent with the literature, which highlights that while cost efficiency remains a driver of GBS adoption (Richter, 2021), organizations increasingly prioritize service quality, innovation and responsiveness to remain competitive (Celoris, 2021; Zinnov, 2023). Cooke (2006) and Wagenaar (2006) recognize maintaining morale and motivation as a challenge in shared services environments, which may affect the quality of the service delivery.

To address these challenges, employees emphasized the importance of strengthening client relationships, understanding and meeting expectations and leveraging efforts to acquire new operations. This notion is validated by Plugge et al. (2021) who underline that establishing a strong internal service orientation is vital in foster GBS value creation and expanding its scope.

Additional strategies include continuous training, fostering innovation and capitalizing on the HUB's unique competitive advantages. Interviewees cited challenges such as balancing regional and global objectives and adapting to more transparent and globally aligned Key Performances Indicators (KPIs) for performance improvement. The reviewed literature supports this perspective, Borman & Janssen (2012) and Ribeiro et al. (2018) highlighting that training is essential for the implementation and the efficient functioning of the SSC. Celoris (2021) and Sewpersadh (2023) see innovation as part of the natural progression of the SSCs towards the GBS and as a priority to aggregate value. In addition, Olendiy et al. (2023) emphasize prioritizing performance by consolidating its presence in less locations. This idea leads to leverage of competitive advantages of the HUB. Aligning regional and global objectives and adapting more standardized and transparent KPIs, reflects the governance requirements and effective integration of the GBS model (Deloitte, 2013; Zinnov, 2023).

Regarding strategic value, process standardization, improvements in reporting and implementation of new processes were identified by employees as drivers of strategic value. PricewaterhouseCoopers (2021) and Zinnov (2023) identify the process standardization as central to GBS, improving quality and enhance organizational agility. In addition, Deloitte (2013) and Plugge & Nikou (2021) point out the implementation of process standardization, together with reporting, enables better governance, greater operational efficiency and strategic support to the organization. Global process owners and leaders who promote to drive change can lead to the implementation of new processes as noted by

Deloitte (2013). This is reinforced by employees' perspective of GBS's ability to foster innovation and create a participatory culture such as hiring new employees that bring new visions, was seen as potentially leading to more efficient methods of process execution. Celoris (2021) and HighRadius (2022) acknowledged fostering innovation as a natural evolution of the model. Mihardjo et al. (2019) and Sana et al. (2024) indicate the importance of a participatory culture and motivation in supporting active change management within the GBS model.

On leaders' perspective, the benefits are not much different from the ones identified by the employees. They highlight the centralization and automation of processes and tasks that are not considered core activities for Siemens, agreeing with the literature of Walsh et al. (2008); Cooke (2006) and Sako (2010) which shows as benefits of SSCs. But as this work already emphasized these positive outcomes can be observed on the GBS as well, since it is a natural evolution of the SSC. Additionally, the GBS' capacity to increase its scope of services such as engineering, tax, business solutions and controlling as stated by Deloitte (2013) and Plugge et al. (2021) which allows for the organization to gain synergies, add value fostering innovation and improve organizational agility aligning with the research of Sewpersadh (2023).

5.3 GBS and Organizational Agility

The interviews responses highlight the presence of organizational agility within the GBS model. In the context of a critical event such as the COVID-19 pandemic, all the interviewees stated that the organization had already adopted agile practices, through the implementation of a home office regime. This arrangement, where employees worked remotely two days per week, enabled a seamless transition to a full-week remote model. As a result, the organization experienced minimal disruption on its operations. Furthermore, it was stated that, even prior to the governmental lockdown measures, Siemens conducted tests to evaluate its capacities of infrastructures with full remote work, demonstrating its agile capabilities. These findings align with the reviewed literature, Akkaya & Mert (2022), which emphasizes that firms with strong operational and competitive advantages are better positioned to adapt to environmental changes, thereby enhancing innovation and performance. This capacity is essential in times of crisis, such as the COVID-19 pandemic, during which agile organizations were able to quickly revise their strategies and service delivery methods to ensure continuity of the operations. Moreover, Teece et al. (2016) states that organizational agility can be viewed as the ability to efficiently and effectively reallocate resources in response to changing circumstances. Furthermore, the case of Siemens' Portuguese HUB exemplifies what Walter (2021) defends emphasizing agility as a dynamic capability that must be learned and developed to respond efficiently to volatility.

Building on the mentioned literature previously discussed, the Lisbon HUB has a Business Continuity Management (BCM) which is a key instrument to face disruptions in real-time, which was used on recent occasions, during the power outage of 28th of April 2025. The implementation of BCM shows the integration of agility capabilities such as flexibility, adaptability and resilience, elements identified by Desalegn et al. (2024) as crucial to achieving organizational agility. In volatile contexts, agility is not only a quality but a strategically cultivated capacity that ensures continuous alignment with organizational goals and customer value delivery as stated by Gonçalves (2024). The Siemens Lisbon HUB ability to respond quickly to disruptions illustrates the benefits of embedding agility into operational systems, supporting the literature's assertion that agility contributes significantly to sustained performance, particularly within knowledge-intensive and technology-driven sectors as supported by El Nsour (2021) and Gao et al. (2020).

5.4 The Future of the GBS Model

Interview data reveal that Siemens' GBS in Lisbon is strategically embracing digital transformation using robotic process automation, cloud technologies and emerging artificial intelligence technologies. Employees shared examples of automation, such as RPA robot which facilitates accounting tasks, replacing manual procedures. Cloud solutions support a flexible hybrid work model, enabling an easier document sharing and collaboration across regions. These developments reflect post-pandemic trends, where organizations have been prioritizing digitalization and standardization aligning with PricewaterhouseCoopers (2021). Research further supports this evolution, with the remote work during the pandemic facilitated improved cross-departmental collaboration and improved process efficiency according to Sanusi et al. (2022).

At the management level, interviewees emphasized a trend towards more advanced technologies beyond usual RPA to achieve end-to-end process automation. They believe AI will be an essential enabler of future transformation, giving examples of predictive analysis in accounting periods closing or creation of bionic agents that combine both human and machine intelligence. These technological advancements align with the literature presented by Fernandez & Aman (2021) and HighRadius (2022), with the GBS trends including that artificial intelligence and automation are essential instruments to drive to the next wave of value creation.

Furthermore, all these findings are aligned with figure 1, figure 2 and figure 3 of this paper. Firstly, in the figure 1 from Celoris (2021), the GBS model is a perfect fit for organizations that are considered leaders in their industries that foster innovation, who are pioneers of technology and drive strategies focused on customer and employee experience, promoting higher value creation. In figure 2 and figure 3, both from Ernst & Young (2023), the future of the GBS model is aligned closely with the

perspectives shared by the interviewees, particularly those with managerial roles. Currently, according to the data given by respondents, the GBS model is currently in stage Digital GBS, as it is focused on end-to-end processes, automation and digital service management. For the future, the GBS model should focus on how to apply emerging technologies, such as AI, as it is highly promising due to its adaptability and the ease of accessing information. This is aligned with the NextWave GBS from the figure 2 of Ernst & Young (2023) in which is stated that in this stage is highlighted customer focus, end-to-end service and experience and particularly AI enabled.

In conclusion, this study interpreted the results considering the existing and reviewed literature regarding the transition of organizational structure models of SSC to GBS, and the related concepts of strategic value, digital transformation and organizational agility. The data collected largely corroborate the literature, particularly regarding the benefits of standardization, automation and centralization of services. However, this paper revealed human and communication challenges associated to a structural change. Moreover, this research contributes to a new understanding of the GBS model as a potential enabler of organizational agility, especially during crisis, going beyond its role in operational efficiency. Thus, the findings not only validate existing theorical perspectives but also pave the way for future research regarding the evolution of the GBS model.

6. CONCLUSION

6.1 Main Conclusions

The present study was guided by two research questions: *How the transition from a Shared Services Center (SSC) to a Global Business Services (GBS) model unfolds within a multinational context, focusing specifically on the challenges faced both during and after the transition? How was value created throughout this process of organizational transformation*? In response to these questions, this paper intended to explore the transition from the SSC model to the GBS model, while also examining its maturity and future. Additionally, this research investigated the relationship between the GBS model and key concepts such as strategic value, innovation and organizational agility.

Being the first research objective: to analyze the transition from SSC to GBS model, identifying the challenges faced during the process and the current ones. The transition from SSC to GBS at Siemens was described by respondents as a smooth and natural progression, with no major resistance or disruption reported. This aligns with the literature, which presents GBS as an evolution of the SSC model. No significant challenges were identified during the implementation of the GBS model. However, more current challenges were noted, such as maintaining employee motivation, sustaining service quality and identifying new business opportunities, particularly within the Lisbon HUB. These finding corroborate the literature which highlights the growing expectations placed on GBS operations.

Regarding the second objective: to assess how the GBS model can create strategic value through process optimization and operational efficiency. The GBS model was recognized for its ability to centralize and automate processes, resulting in greater operational efficiency. It also facilitated knowledge exchange across regions and contributed to improve reporting, process standardization and service innovation. These aspects are seen as sources of strategic value, allowing the organization to focus on its core activities.

Concerning the third objective: to project the future of the GBS model. Interviewees, particularly those in managerial roles, emphasized that the path ahead in GBS lies in digital transformation. Technologies such as Robotic Process Automation (RPA) and Cloud Solutions remaining essential, however the next step is on Artificial Intelligence (AI) to support in procedures where other technologies are insufficient. Siemens' GBS current stage corresponds with "Digital GBS" maturity level, with a clear goal toward AI-enabled operations. The findings are consistent with industry trends that sees GBS evolving into models committed to end-to-end service management and innovation.

As for the fourth objective: to explore how the GBS model can drive organizational agility during times of crisis, through innovation and digital transformation associated with the concepts of GBS and organizational agility. Siemens' Lisbon HUB demonstrated significant organizational agility, particularly during the COVID-19 pandemic, by rapidly adapting to remote work without any disruption. Agile practices were already established within the organization prior to the crisis. Furthermore, infrastructures capable to resist disruptions, such as power outages, and a business continuity plan are examples of agile practices. This capacity for quick response and adaptation exemplifies how the GBS model can enhance agility and resilience in volatile environments.

6.2 Implications

Regarding practical and theoretical implications, this research suggests that the transition from the SSC model to the GBS model can be successful through effective leadership, clear communication and strategic alignment. The challenges identified concerning employees' motivation and the balance between regional and global objectives show the need for continuous engagement and innovation. Additionally, the growing adoption of digital technologies, automation and artificial intelligence reinforces that organizations who seek to implement the GBS model should integrate these tools to improve efficiency and organizational agility.

As for theoretical implications, this study enhances the understanding of the GBS model not only as the natural evolution of the SSC model that facilitates operational efficiencies, but also as a driver of organizational agility. This research corroborates key concepts of the literature regarding the importance of leadership and communication during this transition process, while also contributing with new aspects to the academic discussion such as human resources challenges within the GBS model and the role of regional HUBs on the global strategy of the organization. Concerning the future of the GBS considering emerging technologies such as AI, this dissertation provides new lines of investigation about the integration between digitalization and global organizational models.

6.3 Limitations and Future Research

In terms of limitations, this research was conducted within a single organization, therefore reflects only one reality. Despite Siemens' successful implementation of the GBS model, it is important to consider that each organization has their own structures, cultures and specific contexts that might influence the process of adoption of the GBS model. In addition, this investigation focuses exclusively on the Lisbon HUB, one of the five global HUBs of Siemens. Thus the perspectives and challenges faced in this location may not be similar to other HUBs, which may operate in different cultural and organizational contexts.

Another limitation concerns the limited number of interviewees. Although, having a diversity of positions, the sample does not allow statistical inferential, or the identification of trends and as the findings are based on subjective perceptions. Furthermore, there is a possible confirmation bias, since all the interviewees are current employees, there is a potential tendency to present the GBS model in a more positive framework.

For future research, it would be beneficial to investigate of the GBS model can be implemented without the prior establishment of a SSC, especially within digital organizations or born global firms that may have conditions to pass certain steps, allowing to identify and redefine the essential requirements for the implementation of the GBS model. Other aspects for further investigation, lies on the impact of AI within the evolution of the GBS, how this technology can help enhance efficiency and position GBS as a more strategic model for organizations. Furthermore, it would be interesting to explore more deeply the relationship between organizational agility and the GBS, questioning whether this centralized model can foster and drive agility in contexts of crisis, especially given that agility is typically associated with decentralized models.

APPENDIXES

Appendix 1: Interview Guide (Leadership Role)

Table II: Research Objectives and Respective Questions (Leadership Role)

Research Objective	Question
To analyze the transition from the SSC to the GBS model, identifying the challenges encountered during the transition as well as the current ones.	- Question no. 2 - Question no. 3 - Question no. 4 - Question no. 5 - Question no. 6 - Question no. 7
To assess how the GBS model can generate strategic value through process optimization and operational efficiency.	- Question no. 8 - Question no. 9
To project the future of the GBS model.	- Question no. 12 - Question no. 13
To explore how the GBS model can drive organizational agility during times of crisis through innovation and digital transformation associated with the concepts of GBS and organizational agility.	- Question no. 10 - Question no. 11

Source: Author's own elaboration

1. Were you working at Siemens GBS (formerly, Siemens SASC) when the transition from SSC to GBS occurred? If yes, what was your position at that time and what is your current position?
2. In your opinion, what were the motivations behind this transition?
3. Did the employees undergo through any type of training and support initiatives to facilitate this transition?
4. What do you think is the leadership role for successful implementation and continued smooth running of GBS?

5. How did employees adapt to the transition to the GBS model? To avoid employee resistance, were there any strategies that helped facilitate engagement and smooth the process?
6. What benefits have you identified and experienced with the implementation to GBS?
7. Currently, with the GBS model, what challenges does the organization face? What is being done to address them?
8. Besides operational efficiencies, do you believe the GBS model brings more strategic value to the company? If so, could you some examples of the impact you've observed?
9. How does the GBS model fosters innovation and creates strategic value within your organization?
10. During crises, such as COVID-19, how did the GBS model help the organization become more agile, maintain its operations and respond effectively? Were there any specific changes or improvements to processes?
11. How does the GBS model allows your organization to respond to changes or disruptions in real-time, and can you provide specific examples of this during recent challenges?
12. In terms of operational efficiency and customer experience, what emerging technologies do you believe have been relevant or can be relevant for the future of GBS?
13. How have technologies like RPA, AI, and cloud solutions empowered the GBS model to enhance organizational agility? Could you share any examples?

Appendix 2: Interview Guide (Operational Role)

Table III: Research Objectives and Respective Questions (Operational Role)

Research Objective	Question
To analyze the transition from the SSC to the GBS model, identifying the challenges encountered during the transition as well as the current ones.	- Question no. 2 - Question no. 3 - Question no. 4 - Question no. 5 - Question no. 6 - Question no. 7
To assess how the GBS model can generate strategic value through process optimization and operational efficiency.	- Question no. 8 - Question no. 9

To project the future of the GBS model.	- Question no. 12 - Question no. 13
To explore how the GBS model can drive organizational agility during times of crisis through innovation and digital transformation associated with the concepts of GBS and organizational agility.	- Question no. 10 - Question no. 11

Source: Author's own elaboration

1. Were you working at Siemens GBS (formerly, Siemens SASC) when the transition from SSC to GBS occurred? If yes, what was your position at that time and what is your current position?
2. Were you aware of the motivations behind this transition?
3. Did you receive any type of training and support initiatives to facilitate this transition?
4. What do you think is the leadership role for successful implementation and continued smooth running of GBS?
5. How did you and your colleagues adapt to the transition to the GBS model? Do you believe it existed employee resistance?
6. What benefits have you identified and experienced with the implementation to GBS? For example, on your daily work or the way the team operates.
7. Currently, with the GBS model, what challenges does the organization face? What is being done to address them?
8. Besides operational efficiencies, do you believe the GBS model brings more strategic value to the company? If so, could you some examples of the impact you've observed?
9. How does the GBS model fosters innovation and creates strategic value within your organization?
10. During crises, such as COVID-19, do you feel that the GBS model helped the organization remain agile, maintain its operations and respond quickly and effectively? Were there any specific changes or improvements to processes?
11. How does the GBS model allows your organization or your department to respond to changes or disruptions in real-time, and can you provide specific examples of this during recent challenges?

12. In terms of operational efficiency and customer experience, what emerging technologies do you believe have been relevant or can be relevant for the future of GBS?
13. Technologies like RPA, AI, and cloud solutions empowers the GBS model to enhance organizational agility. Have you used any of these technologies during your daily work? Could you share any examples?

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