



**Volodymyr KUZMENKO, Andriy KOROTKYKH, Oksana
VAITSEKHOVSKA, Vladyslav KOSTENKO, Kateryna
KUTSOVOL**

Topicality of outsourcing as one of prospective employment forms

DOI: [https://doi.org/10.34625/issn.2183-2705\(ne\)2023.ic-15](https://doi.org/10.34625/issn.2183-2705(ne)2023.ic-15)

Secção I

Investigação Científica*

* Os artigos presentes nesta secção foram sujeitos a processo de revisão segundo o método *blind peer review*.

Topicality of outsourcing as one of prospective employment forms

Atualidade da terceirização como uma das formas de emprego em perspectiva

Volodymyr KUZMENKO¹
Andriy KOROTKYKH²
Oksana VAITSEKHOVSKA³
Vladyslav KOSTENKO⁴
Kateryna KUTSOVOL⁵

ABSTRACT: Globalization and competitiveness make it possible for companies to seek better ways to develop and use technology to gain a competitive advantage in the marketplace and increase efficiency. It has become more expensive to implement and optimize all processes within one enterprise – it requires skills and competence of highly qualified and professional human resources, labor costs constantly increasing. The aim of the article is to study approaches to the notion of outsourcing as the largest inventions of the last decades and regulation of this phenomenon as well as to distinguish advantages and disadvantages of outsourcing and prospects of its development in Ukraine and the world. It is noted that outsourcing of certain organizational processes is an integral part of the corporate strategy of many modern companies. The main advantage of outsourcing is more qualitative and less expensive performance of the transmission function. This is explained by the availability of highly paid specialists with experience in a specific field. However, its disadvantages are less significant compared to its advantages for the company. Therefore, it is stated that outsourcing is a promising industry both in Ukraine and in other countries. Moreover, its further development will rapidly increase.

KEYWORDS: outsourcing; outsourcer; regulation of outsourcing; expenses optimization; outsourcing contract.

RESUMO: A globalização e a competitividade possibilitam que as empresas busquem melhores maneiras de desenvolver e usar a tecnologia para obter uma vantagem competitiva no mercado e aumentar a eficiência. Tornou-se mais caro implementar e otimizar todos os processos dentro de uma empresa - requer habilidades e competência de recursos humanos altamente qualificados e profissionais, aumentando constantemente os custos trabalhistas. O objetivo do artigo é estudar abordagens para a noção de terceirização como as maiores invenções das últimas décadas e regulação desse fenômeno, bem como distinguir vantagens e desvantagens da terceirização e perspectivas de seu desenvolvimento na Ucrânia e no mundo. Note-se que a terceirização de certos processos organizacionais é parte integrante da estratégia corporativa de muitas empresas modernas. A principal vantagem da terceirização é o

¹ Sixth Administrative Court of Appeal, 01010, 8 Moskovska Str., Kyiv, Ukraine.

² Sixth Administrative Court of Appeal, 01010, 8 Moskovska Str., Kyiv, Ukraine.

³ Department of European and Comparative Law, Yuriy Fedkovych Chernivtsi National University, 58012, 2 Kotsyubynsky Str., Chernivtsi, Ukraine.

⁴ Kovpakivsky District Court of Sumy, 40000, 12 Pershotravneva Str., Sumy, Ukraine.

⁵ Taras Shevchenko National University of Kyiv, 01033, 60 Volodymyrska Str., Kyiv, Ukraine.

desempenho mais qualitativo e menos caro da função de transmissão. Isso é explicado pela disponibilidade de especialistas altamente pagos com experiência em um campo específico. No entanto, suas desvantagens são menos significativas em comparação com suas vantagens para a empresa. Portanto, afirma-se que a terceirização é uma indústria promissora tanto na Ucrânia quanto em outros países. Além disso, o seu desenvolvimento irá aumentar rapidamente.

PALAVRAS-CHAVE: terceirização; contratante; regulação de terceirização; otimização de despesas; contrato de terceirização.

Introduction

To cope with a tough competition, companies must be efficient, deliver their products to the market on time and within the minimum budget. In addition, consumers' demands and preferences are constantly changing. In response to these challenges, companies are trying to delegate part of their responsibilities to the third party if they dispose of specialists, equipment and competence. The third party should have a great potential, qualified human resources, skills, experience and numerous opportunities, facilitating the development of certain areas of the enterprise in a short time and with minimal expenses.

Historically, the global outsourcing market began with accounting and law, but its intensive development is connected with penetration of information technologies into all spheres of the life. Nowadays, each organization has to maintain a functioning computer network, support accounting and other specialized software. However, the number of tasks is not sufficient for a specialist to be fully loaded. Despite the availability of professional and qualified employees, from time-to-time companies face the need to delegate business processes to outside specialists when their own are not enough. In addition, businesses may apply for the outside expertise if they need fresh perspectives or new creative solutions. In such cases, companies involve outsourcing companies to perform such tasks.

Outsourcing is an industry that is united to provide standardized services at a lower cost as compared to the costs of the company's internal business units. In this regard, it is possible to assume that a financial crisis and global recession will promote the growth of outsourcing services application. A crucial impetus for this will be the necessity of reducing capital expenditures and increasing the efficiency of corporations. Finally, outsourcing will facilitate

restructuring different industries in the world economy⁶. Outsourcing is often referred to as the phenomenon of the XX century as well as the largest invention of business of the last decades because this concept has been incorporated into business and widespread only since the end of 1980s⁷. Currently, outsourcing is actively used in the world because it allows to achieve competitive advantages due to the ability of each party to perform functions in which it is most successful. Outsourcing services also permit to significantly reduce the corporation's internal expenses and to achieve high quality of work owing to the company-outsourcer's high qualification.

Outsourcing means the involvement of a third party to solve problems of organization of relations with external environment and internal problems connected with implementation of specific business processes or the use of scientific technologies, for example, information technologies. Outsourcing is aimed at the acquisition of services. So, it is from this point of view that this process is considered in the field of practical management by the majority of modern experts. The purpose of outsourcing is to use advanced business technologies and know-how to win and maintain competitive advantages in competitive struggle, which is increasingly acute among different players of the same market. The economic essence of outsourcing is to build a system of relations between organizations that transfer and take on execution of certain types of activity on the basis of long-term agreements.

It should be noted that outsourcing is an extremely complex process to carry out. Instead of simplifying operations, outsourcing often complicates work, causes deviations in the chain of values creation, requiring more top management's attention and managerial skills than expected. Although outsourcing allows financial and production risks to be transferred to service providers, contracts cannot guarantee clients and businesses full protection against damage caused by non-fulfillment of obligations. Thus, outsourcing causes fundamental risks, more than half of which can not be avoided such as intellectual property, the risk of disclosure of confidential information, the loss of institutional knowledge and control over functions delegated to the third

⁶ ALEKSEEV, S. (2010). Outsourcing in Europe: Main development trends. *Modern Europe*, 2, 90-101.

⁷ ALEKSEEV, S. (2010). Outsourcing in Europe: Main development trends. *Modern Europe*, 2, 90-101.

company. Apart from that, the ability of the organization to react quickly to changes in the market is often reduced. This is the price that organizations will probably have to pay for new opportunities and financial benefits available to them.

Despite this, outsourcing does not lose its popularity in the world. It is one of the most advanced business strategies for companies to benefit from the global supply chain. According to the data provided by American scientists S. Zhang and A. Xin Jiang and Y. Pang⁸, the USA outsourcing industry's revenue increased by more than \$20 billion from 2010 to 2019. Moreover, worldwide the total revenues of the outsourcing industry increased from \$93,1 billion to \$135,5 billion. Such statistics show an increase in the popularity of outside employment throughout the world.

Analysis of recent research and publications

Some aspects of outsourcing as a promising form of employment in Ukraine and the world were disclosed in the work of such scholars as V.V. Vapniarchuk, I.I. Puchkovska, O.V. Tavolzhanskyi, and R.I. Tashian⁹, B.M. Holovkin, O.V. Tavolzhanskyi and O.V. Lysodyed¹⁰, R. Zimenkov¹¹, S. Zhang, A. Jiang, and Y. Pang¹², O.N. Rudenko & E.A. Kudinova¹³, Yu. Lermontov¹⁴, P. Meghen and P. O'Malley¹⁵, N.A. Lytvyn, O.V. Artemenko, S. S. Kovalova, M. P.

⁸ ZHANG, S, JIANG, A., and PANG, Y. (2021). Outsourcing: Overview and Trends. Texas: IntechOpen. 128 p.

⁹ VAPNIARCHUK, V.V., PUCHKOVSKA, I.I., TAVOLZHANSKYI, O.V., and TASHIAN, R.I. (2019). Protection of ownership right in the court: the essence and particularities. *Asia Life Science*, 21(2), 1-19.

¹⁰ HOLOVKIN, B.M., TAVOLZHANSKYI O.V., and LYSODYED, O. V. (2021). Corruption as a Cybersecurity Threat in the New World Order. *Connections: The Quarterly Journal*, 20(2), 75-87.

¹¹ ZIMENKOV, R. (2019). Outsourcing in the practice of American corporations. *USA & Canada: Economics-Politics-Culture*, 6, 54-80.

¹² ZHANG, S, JIANG, A., and PANG, Y. (2021). Outsourcing: Overview and Trends. Texas: IntechOpen. 128 p.

¹³ RUDENKO, O.N., and KUDINOVA, E.A. (2013). Actual issues of outsourcing definition. *International Research Journal*, 4, 40-43.

¹⁴ LERMONTOV, Yu. (2011). Outsourcing: Civil law characteristics of the contract, features of accounting and tax aspects. *Club of Chief Accountants*, 1, 36-41.

¹⁵ MEGHEN, P., & O'MALLEY, P. (2019). Defining the scope of Outsourcing. Milliman briefing note. Retrieved from: <https://www.milliman.com/-/media/milliman/importedfiles/ektron/definition-of-outsourcing.ashx>

Kobets, and E.V. Kashtan (Grygorieva)¹⁶, S. Overby¹⁷, S.V. Reznichenko¹⁸, L. Antoniuk, I. Britchenko, Y. Polishchuk, N. Rudyk, Y. Sybrianska, and P. Machashchik¹⁹.

A significant contribution to the study and disclosure of the essence of the concept of outsourcing, justification of its advantages and disadvantages is made by the courts of general jurisdiction. The judicial practice of Ukrainian courts has a goal to clarify the content of the concept of outsourcing, because the legislative framework of Ukraine has not yet regulated this issue. The attention of the courts is paid to the reality of the operation to attract an outsourcer, paying attention to the drafting of an outsourcing contract and the execution of supporting documents. The study of available publications has allowed to identify a significant number of tools that are aimed at the effective application of outsourcing.

At the same time, despite a large number of domestic and foreign studies on outsourcing, the relevant topic is not fully regulated in the legal aspect. In addition, when resorting to outsourcing, it is necessary to be aware of certain risks that a company may face. Thus, the study of outsourcing characteristics requires a more detailed analysis at the scientific-research level in order to find the most profitable ways of its introduction in Ukraine.

Material and Methods

In the course of the research, a system of general scientific, philosophical and special methods was applied, providing the reliability of obtained results and the achievement of the formulated aim. The leading methods are analysis and synthesis, which facilitate the reliability of the obtained results. It is applied to study scholarly and legal approaches to outsourcing interpretation, to analyze the regulation of this phenomenon and to single out its advantages and

¹⁶ LYTUVYN, N.A., ARTEMENKO, O.V., KOVALOVA, S.S., M.P. KOBETS, and KASHTAN (Grygorieva), E.V. (2021). Administrative and legal mechanisms for combating corruption. *Journal of Financial Crime*, Article in Press. DOI: 10.1108/JFC-11-2021-0241

¹⁷ OVERBY, S. (2006). *Global outsourcing guide. Risks, rewards, challenges and opportunities, country by country*. Needham: CXO Media Inc. 312 p.

¹⁸ REZNICHENKO, S.V. (2014). The concept of outsourcing contract, its legal characteristics and types. Retrieved from: <http://dspace.oduvs.edu.ua/handle/123456789/827?locale=uk>

¹⁹ ANTONIUK, L., BRITCHENKO, I., POLISHCHUK, Y., RUDYK, N., SYBIRIANSKA, Y., and MACHASHCHIK, P. (2018). Code of ethics for SMEs: Substantiating the necessity and willingness to implement in Ukraine. *Problems and Perspectives in Management*, 16(3), 150-162. doi:10.21511/ppm.16(3).2018.12

disadvantages. In addition, the application of the analysis and synthesis methods allowed to structure the research and justify the outsourcing development prospects based on the studied materials.

In fact, these are the key methods used in this scientific research. They are applied in all sections of the article. They were used to study scientific and legal approaches to outsourcing interpretation. On the basis of the analysis, the authors give their own definition of outsourcing, that is, outsourcing is a delegation of the authority to perform certain functions or production processes by one party to the other on a paid basis under the contract for a certain period of time, provided that the party delegated has corresponding competence, experience, and qualification. In addition, the application of the analysis and synthesis provided an opportunity to distinguish the following characteristic features of outsourcing: it is the activity carried out on the basis of the contract, it being bilateral; it is carried out on a paid basis, testifying to the payment of the contract; outsourcing services are provided only on the basis of consensus; the parties to the outsourcing contract can be exclusively economic entities; outsourcing is a long-term process, i.e. one-time hiring of an employee for a certain job is not considered outsourcing. Furthermore, the analysis and synthesis methods gave an opportunity to analyze the special features of the outsourcing contract. These methods were also used in the analysis of domestic and foreign legislation on outsourcing. In addition, they helped organize the research and define the prospects of outsourcing development.

Besides, during the research, methods of scientific knowledge were used to research into special characteristics and features of an outsourcing activity and the outsourcing contract. Having analyzed the retrospection of international regulation of outsourcing, it was found out that the current problem in this sphere is due to the long historical absence of regulation of outsourcing. Besides, a number of reasons was highlighted, elimination of which is extremely necessary for ensuring effective use of outsourcing. The research results using the above-mentioned methods permitted to clarify advantages and disadvantages of outsourcing for companies and prospects of further development of this area, which is reflected in the conclusions of this article.

The comparative method allowed to establish similarities and differences between certain concepts used in the article. This method was also used to

distinguish different legal and doctrinal approaches to understanding and interpretation of outsourcing, based on theoretical approaches and legal differences as well as to distinguish shortcomings in the domestic regulation of outside employees' involvement.

The use of the systemic method permitted to summarize and systematize different information on outsourcing and its characteristics. Using the system method, it was concluded that there is no state strategy of unified regulation of the relevant issue in Ukraine at the legal and practical levels. Finally, based on the systemic method, the information on the outsourcing contract is summarized and its three main features are defined (it is bilateral, onerous, consensual).

As of 2017, the volume of financing of the outsourcing services market according to the international consulting firm TPI Information Services Group and the Global Sourcing and As-a-Service Market Insights 2017 survey amounted to 88.9 billion US dollars²⁰. Ukraine occupies the 20th position in the Global Services Location Index from AT Kearney. In 2017, the UK's Global Sourcing Association (GSA) named the United Kingdom's Ukraine "Offshore Destination of the Year." In addition, 13 Ukrainian IT companies were included in the Global Outsourcing 100 list according to the International Association of Outsourcing Professionals (IAOP) in 2017²¹. Among other international ratings that mention Ukraine: 1st place in the ranking of the Eastern European outsourcing market according to the Outsourcing Journal²²; 1st place in CEE in terms of the number of engineers and 4th place in the world according to Colliers International²³; 1st place in terms of outsourcing according to CEEOA report²⁴; 1st place in the field of science and technology according to the Good Country Index²⁵; 2nd place Most Certified Nations of Master Level according to

²⁰ Global Sourcing and as-a-service Market Insights - ISG. (2018). Retrieved from: https://isg-one.com/docs/default-source/default-document-library/4q17-global-isg-index.pdf?sfvrsn=ab44fd31_4

²¹ The 2017 Global Outsourcing 100. (2017). Retrieved from: <https://www.iaop.org/Content/19/165/4701>

²² UKAD. (2017). Top Software Development Outsourcing Countries. Retrieved from: <https://ukad-group.com/blog/top-software-development-outsourcing-countries/#:~:text=With%20such%20a%20background%20Ukraine,countries%2C%20%2D%20you%20may%20ask>.

²³ NOVIKOVA, A. (2021). Outsourcing to Ukraine: 12 reasons to hire local software developers. Retrieved from: <https://intersog.co.il/blog/12-reasons-to-hire-ukrainian-software-developers/>

²⁴ CEEOA. (2013). IT outsourcing to Eastern Europe. Retrieved from: <https://ceeo.org/news/ceeo-news/it-outsourcing-to-eastern-europe/>

²⁵ The Good Country Index. (2022). Retrieved from: <https://index.goodcountry.org/>

Bench Games 2013²⁶; 3rd place International Most Certified Citizens by Bench Games 2013²⁷; One of the top 20 offshore properties rated by Gartner's IMEA. Using this sample from the available empirical data, we managed to find out that Ukraine has taken a leading position in several international ratings.

In addition, after conducting a series of empirical studies, the use and development of outsourcing services, we found that the largest number of outsourcers is concentrated in China and India²⁸. It is to these countries that the countries of Europe, Japan and the United States delegate their powers most of all. The prospect of development of outsourcing services in each of these countries is annually evaluated in the Global Services Location Index according to 38 criteria.

Analyzing the effectiveness of outsourcing, most often compare the actual performance indicators of the enterprise before and after its implementation. At the same time, the main and rather controversial task for the enterprise is to choose a system of indicators for evaluating the effectiveness of outsourcing operations. In order to properly form such a system, the first thing you need to understand is the essence of the main goals and objectives that the owners or managers of the enterprise set for themselves when deciding on outsourcing. As a rule, they are divided into short-term – this is a reduction in costs and an increase in profits, as well as long-term – an increase in the economic potential of the enterprise, an increase in competitiveness, an increase in product quality, etc.

So, the analysis of the effectiveness of outsourcing can be carried out on the basis of quantitative and qualitative parameters. Quantitative indicators should reflect the value aspect of the enterprise. In the economic literature, they are divided into absolute, with the help of which it is possible to analyze the deviations of the actual value of expenses, income and profits from the basic values. So they conclude about the effectiveness of the implementation of

²⁶ ISCED. (2011). International Standard Classification of Education. Retrieved from: <https://uis.unesco.org/sites/default/files/documents/international-standard-classification-of-education-isced-2011-en.pdf>

²⁷ ISCED. (2011). International Standard Classification of Education. Retrieved from: <https://uis.unesco.org/sites/default/files/documents/international-standard-classification-of-education-isced-2011-en.pdf>

²⁸ Global Sourcing and as-a-service Market Insights - ISG. (2018). Retrieved from: https://isg-one.com/docs/default-source/default-document-library/4q17-global-isg-index.pdf?sfvrsn=ab44fd31_4

outsourcing, and relative, which make it possible to assess the effectiveness of the use of labor resources, fixed assets or financial resources, as well as other components that form the economic potential of the enterprise and participate in the outsourcing process. With the help of quality parameters, it is possible to assess how much the activity of the enterprise has improved in terms of the quality component of its functioning, which affects the increase in consumer demand and the profitability of the enterprise.

Results

Theoretical and legal approaches to the notion of outsourcing

As Romanian researchers V.-A. Troacă and D.-U. Bodislav²⁹ rightly point out, the notion of outsourcing comes from an American term “an external resource”, which means getting resources from outside. Later, this term was used in an economic sphere to indicate the use of external sources for business development, which usually used their internal resources. The Outsourcing Institute (USA) defines outsourcing as an organizational decision to entrust certain functions or business processes to an outside contractor. In other words, outsourcing means the use of external resources, i.e., the transfer of different business functions of the external organization, which has necessary resources to perform these functions³⁰.

Within the scientific community, there are different approaches to defining the concept of outsourcing. Thus, according to the Ukrainian scientist S. Reznichenko³¹, one party (customer) delegates or is obliged to delegate its authority to perform certain functions or activities to other party (outsourcer), having necessary qualified personnel, for a certain period of time. The outsourcer is obliged to provide appropriate services (production, service, financial, information, technological, organizational, financial, economic, marketing, etc.). Other Ukrainian researchers T. Kovalenko and O. Zoriy³² note that outsourcing is borrowing of external resources, meaning that the external

²⁹ BODISLAV, D.U., and TROACĂ, V.A. (2012). Outsourcing. The Concept. Theoretical and Applied Economics, XIX, 6(571), 51-58.

³⁰ ZIMENKOV, R. (2019). Outsourcing in the practice of American corporations. USA & Canada: Economics-Politics-Culture, 6, 54-80.

³¹ REZNICHENKO, S.V. (2014). The concept of outsourcing contract, its legal characteristics and types. Retrieved from: <http://dspace.oduvs.edu.ua/handle/123456789/827?locale=uk>

³² KOVALENKO, T., & ZORIY, O. (2013). Features of outsourcing. Economic Analysis, 3, 18-28.

organization assumes the responsibility to perform certain tasks or business processes that are not specialized for a particular enterprise but necessary for its full-fledged work. In this case, the company does not hire people but buys a service. As A. Zgama notes, outsourcing is one of the types of labor borrowing, when an employee, employed by a particular employer, actually performs the order of another one, that is, the contract of outsourcing leases the staff³³.

Foreign researchers' opinions on approaches to interpretation of the notion of "outsourcing" are also divided. According to the English researchers P. Meghen and P. O'Malley³⁴, outsourcing includes a supplier's services who takes over the service, process or activity from a client, provided the supplier is specialized in such services, processes or activities, on contractual terms. According to French researchers A. Duhamel and Quélin³⁵, outsourcing is often accompanied by the transfer of material and human resources to the chosen supplier. It aims to replace consumer services with a customer company in medium-term or long-term relations (an average of five to six years).

Regarding the definition of outsourcing within the legislation of Ukraine, the corresponding term can be found in Section 4 of the National Classifier of Ukraine "Types of economic activity classification", approved by the order of the Derzhspozhyvstandart of Ukraine № 457 of 2010³⁶. It defines outsourcing as a contract under which the customer entrusts the contractor to perform certain tasks, including part of a production process or a complete production process, staff recruitment, and auxiliary functions. The term "outsourcing" is also used if the contractor performs auxiliary activities, regardless of whether they are performed on market conditions³⁷.

It is also worth paying attention to the Resolution of the Board of the National Bank of Ukraine "On the Approval of Methodological Recommendations on Organization and Functioning of Risk Management

³³ ZGAMA, A. (2018). Outsourcing contractual obligations: legal nature and some application issues. *Entrepreneurship, Economy and Law*, 2, 48-52.

³⁴ MEGHEN, P., and O'MALLEY, P. (2019). Defining the scope of Outsourcing. Milliman briefing note. Retrieved from: <https://www.milliman.com/-/media/milliman/importedfiles/ektron/definition-of-outsourcing.ashx>

³⁵ DUHAMEL, A., and QUÉLIN, B. (2003). Bringing together strategic outsourcing and corporate strategy: Outsourcing motives and risks. *European Management Journal*, 21(5), 647-661.

³⁶ Order of Derzhspozhyvstandart of Ukraine No 457 "Classification of economic activities DK 009:2010". (2010). Retrieved from: <https://zakon.rada.gov.ua/rada/show/vb457609-10#Text>

³⁷ Order of Derzhspozhyvstandart of Ukraine No 457 "Classification of economic activities DK 009:2010". (2010). Retrieved from: <https://zakon.rada.gov.ua/rada/show/vb457609-10#Text>

Systems in Banks of Ukraine” No 361 of 2004³⁸. According to this Resolution, outsourcing is the performance of certain functions and works, which are traditionally “internal” and are performed by regular employees by attracting external independent parties on contractual basis; outsourcing is used for optimization of expenses and processes in the bank.

It is worth noting that a number of other domestic legal acts dwell upon the relevant concept. Thus, for example, the Law of Ukraine “On the Population Employment” of 2012 embraces the concept of “the employment of workers for further performance of their work in Ukraine for other employers”. However, the term “outsourcing” is not used³⁹. The Art. 14 of the Tax Code of Ukraine of 2010 states that the service of providing personnel is an economic or civil-legal agreement, according to which the person who provides the service (resident or non-resident) directs one or more individuals to perform some functions for another person defined by this agreement⁴⁰.

Another definition of outsourcing is given in Section 4 of the National Classifier of Ukraine “Classification of types of economic activity” DK 009:2010: “outsourcing” is an agreement, according to which the customer instructs the contractor to perform certain tasks, in particular, a part of the production process or the full production process, the provision of recruitment services, auxiliary functions⁴¹. On the other hand, the Tax Code of Ukraine (para. 14.1.183) contains a definition of personnel services as an economic or civil agreement, according to which the person providing the service (resident or non-resident) sends one or more individuals to perform the functions defined by this agreement to the disposal of another person (resident or non-resident)⁴². Analyzing these definitions, it is possible to conclude that within the concept of

³⁸ Resolution of the National Bank of Ukraine No 361 “On approval of Methodical recommendations on the organization and functioning of risk management systems in banks of Ukraine”. (2004). Retrieved from: <https://zakon.rada.gov.ua/laws/show/v0361500-04#Text>

³⁹ Law of Ukraine No 5067-VI “On employment”. (2012). Retrieved from: <https://zakon.rada.gov.ua/laws/show/5067-17#top>

⁴⁰ Tax Code of Ukraine. (2010). Retrieved from: <https://zakon.rada.gov.ua/laws/show/2755-17#top>

⁴¹ State Committee of Ukraine on Technical Regulation and Consumer Policy. (2010). National Classifier of Ukraine “Classification of types of economic activity” DK 009:2010. Retrieved from <https://zakon.rada.gov.ua/rada/show/vb457609-10#Text>

⁴² Tax Code of Ukraine. (2010). Retrieved from: <https://zakon.rada.gov.ua/laws/show/2755-17#top>

outsourcing, works are performed or services are provided, a certain business process is maintained.

Thus, it is possible to state that the concept of outsourcing is not new for the Ukrainian law. However, this phenomenon is not well regulated. Taking into account the growing popularity of outsourcing in Ukraine and the world and its spread to many spheres of production processes, the lawmaker should pay more attention to ensuring proper regulation and protection of rights of parties in such activity.

Foreign legislation also includes some definitions of outsourcing. For example, the Final Report on Public Consultation No 14/017 “On Guidelines on System of Governance” determine that “the arrangement is likely to be an outsourcing unless the policyholder has a direct contractual relationship with the third party for the delivery of those services”. It was also stated that one-off courses and professional participation are not considered outsourcing: “hiring a specialist consultant, for example, to provide one-off technical advice or one-off support for an undertaking’s compliance, internal audit, accounting, risk management or actuarial functions does not normally constitute outsourcing”. At the same time, if it becomes paid ongoing aid, the agreement may be considered outsourcing: “however, it may become outsourcing if an undertaking subsequently relies on that consultant to manage an internal function or service, e.g. when it is installed or becomes fully operational”⁴³.

The Central Bank of Ireland paid increased attention to outsourcing after the thematic inspection conducted during 2017. The lack of clarity in the definition of outsourcing by companies is one of the weak points mentioned by Outsourcing – Findings and Issues for Discussion Paper in November 2018. “Supervisory engagements have identified another area of concern in relation to classification or outsourcing arrangements whereby, in some instances, regulated firms have not identified certain arrangements as ‘Outsourcing’ and

⁴³ Final Report on Public Consultation No 14/017 “On Guidelines on system of governance”. (2015). Retrieved from: https://register.eiopa.europa.eu/Publications/Consultations/EIOPA_EIOPA-BoS-14-253-Final%20report_Governance.pdf

hence have not applied the appropriate risk management controls to these arrangements”⁴⁴.

Thus, having analyzed the doctrinal and legal approaches to interpretation of the concept under study, it is possible to state that outsourcing is the delegation of the authority to perform certain functions or production processes by one party to the other one on a paid basis under the agreement for a certain period of time, provided that the party delegated has the corresponding competence, experience, and qualification.

Some of the typical characteristics of outsourcing are the following:

1. the outsourcing contract is bilateral. One party, delegating its authority, grants the outside party the right and obligates it to carry out one or another activity;
2. outsourcing is carried out on a paid basis, meaning that the third-party representative testifies to the repayment of the contract;
3. outsourcing services are provided only on condition of an agreement between the parties, i.e., contain the features of consensus;
4. the parties to the outsourcing contract (customer and outsourcer) can be only economic entities⁴⁵;
5. outsourcing is a long-time process. One-off employment of an employee for the performance of a certain job is not considered outsourcing⁴⁶.

Special features of an outsourcing contract

The issue of outsourcing is not fully regulated in Ukraine at the legal level. Therefore, special attention should be paid to the analysis of the outsourcing contract as a legal basis for cooperation. Any contract, except for the general provisions, contains essential conditions, without which it is considered invalid. The essential conditions of the outsourcing agreement are the following: the contract subject, i.e., performance of work, services rendering, creation of goods (e.g., website, etc.); the condition of a service quality; the contract term;

⁴⁴ Outsourcing—Findings and Issues for Discussion Paper. (2018). Retrieved from: <https://www.centralbank.ie/docs/default-source/publications/discussion-papers/discussion-paper-8/discussion-paper-8---outsourcing-findings-and-issues-for-discussion.pdf>

⁴⁵ ZGAMA, A. (2018). Outsourcing contractual obligations: legal nature and some application issues. *Entrepreneurship, Economy and Law*, 2, 48-52.

⁴⁶ MEGHEN, P., and O'MALLEY, P. (2019). Defining the scope of Outsourcing. Milliman briefing note. Retrieved from: <https://www.milliman.com/-/media/milliman/importedfiles/ektron/definition-of-outsourcing.ashx>

parties' rights and obligations; parties' responsibility; and the initiative conditions which are not foreseen as essential under the legislation, but the parties themselves defined them as such⁴⁷. The outsourcing agreement as a specific legal means of ensuring civil turnover is aimed at regulating the relations between its participants by individualizing and specifying rights and obligations. To determine such rights and obligations, it is fundamental to understand what the subject of the contract is.

Moreover, the subject of both labor and civil-legal relations exists in the physical and intellectual forms of labor. At the same time, the subject of labor relations are not the result of the service but the process of its provision, whereas civil-legal relations pay for the result of the executive or a certain volume of services provided under the service contract⁴⁸. Therefore, it is possible to note that the contract of outsourcing is understood as the contract on providing personnel, which, in turn, represents the services provision. The subject of the outsourcing contract is the provision of the contractor's personnel to the customer. Employees transferred under the contract of outsourcing are in the staff of the organization-outsourcer. Employees are in labor relations with this organization, i.e., they conclude labor agreements, receive wages, sick pay and compensation. At the same time, the organization, where employees are engaged under an outsourcing contract, does not draw up any legal (in particular, labor) relations with them.

Considering the outsourcing contract, its three key features are identified: bilaterality, consensus and repayment. The essence of the outsourcing contract is that the employer having staff of a certain category (outsourcer, contractor), on a paid basis, provides its employees to an organization or an individual entrepreneur (customer) to participate in the production process, manage production or perform other functions necessary for the customer to ensure normal effective operation of the enterprise. The employer for the persons who carry out work under such a contract remains an outsourcer (contractor). The labor contract between the staff and the outsourcer (contractor) is not broken.

⁴⁷ DERLYUK, O., and PEREPELICHNA, O. (2020). Special conditions: on the rules for concluding agreements with non-residents in the field of IT outsourcing. Mind. Retrieved from: <https://mind.ua/ru/openmind/20206210-osobyte-usloviya-o-pravilah-zaklyucheniya-dogovorov-s-nerezidentami-v-sfere-it-outsorsinga>

⁴⁸ HRYNIAK, A. (2012). Peculiarities of the distinction between subcontracts and contracts for the provision of services. Entrepreneurship, economy and law. No. 4. P. 18–20.

So, the employees continue to be at their former workplace. Accordingly, the customer does not conclude labor contracts with the personnel hired under the outsourcing contract.

Therefore, certain works or services can be performed under an outsourcing contract. In fact, the type of outsourcing depends on what group of contracts should be applied in the process of reaching an agreement between the parties to the civil contract. It is also worth paying attention to the fact that the types of external sources to ensure the functioning of the customer under the outsourcing contract indicate certain differences in the subject of the contract (work, services). In particular “the service is consumed in the process of its provision, and the performance of work and the consumption of its results do not coincide in time”⁴⁹. These differences significantly affect the definition of the subject of the contract, in particular:

–in an outsourcing agreement, where the subject of the parties' agreement is the provision of services in accordance with Art. 901 of the Civil Code of Ukraine, one party (the executor) undertakes to provide a service that is consumed in the process of performing a certain action or performing a certain activity on the instructions of the second party (the customer) and the customer undertakes to pay the executor for the specified service, unless otherwise established by the contract⁵⁰;

–in the outsourcing agreement, where the subject of the parties' agreement is to perform work, it is necessary to proceed from the fact that, according to Art. 837 of the Civil Code of Ukraine, one party (contractor) undertakes to perform certain work at his/her own risk on the instructions of the second party (customer), and the customer undertakes to accept and pay for the work performed⁵¹.

Determining the subject of the outsourcing contract, it is also necessary to establish qualitative and quantitative indicators of the service. However, this is a somewhat complicated task because such services are mostly unique, and their final result does not have a materialized form, which the parties cannot always foresee at the stage of concluding the contract. We believe that the number of

⁴⁹ Ibid.

⁵⁰ Civil Code of Ukraine. (2003). Retrieved from <https://zakon.rada.gov.ua/laws/show/435-15#Text>

⁵¹ Ibid.

services as a form or a measure of meeting the customer's needs can be measured by the term of service. At the same time, the quality of the service and its assessment is difficult. However, "the quality of the service provided is perhaps the most important characteristic of the subject of the contract"⁵².

Based on the theory of international law, outsourcing is understood as the provision of personnel for hiring when the employer company provides its employee to the client company to perform certain tasks for the client company or undertakes to independently perform a certain part of the work necessary to ensure the client's activities.

Consequently, due to the imperfection of the legislative framework, a number of risks arise when working on this type of employment contract. Thus, all guarantees provided by the Labor Code to employees are absent in outsourcing relations. One of the main problems, in our opinion, faced by employees in an outsourcing company is their discrimination compared to the permanent staff of the enterprise. They are not subject to social guarantees, their wages are often less than those of employees who perform similar work and are on staff. The temporary nature of hiring deprives employees of payments related to the duration of employment in one workplace (surcharge for seniority, compulsory social insurance in accordance with the occupational risk class, etc.).

Outsourcing workers can not always receive payments of sick leave, surcharges for working in harmful conditions, paid parental leave, etc. "Borrowed" workers often face difficulties in identifying the employer, establishing the duties and responsibilities of the supplier and user of labor services, they can at any time be recalled and sent to perform work in another organization. The main drawback is the lack of a guarantee to continue working after the end of the contract.

Since the legislation of Ukraine does not provide for the full scope of responsibilities of outsourcing entities, the employer company may avoid providing employment services to those groups of the population that have lower competitiveness for various reasons (age, education, profession, health, etc.).

⁵² ZGAMA, A. (2018). Outsourcing contractual obligations: legal nature and some application issues. *Entrepreneurship, Economy and Law*, 2, 48-52.

Advantages and disadvantages of outsourcing and prospects of its development in Ukraine and worldwide

Like any other phenomenon, outsourcing has a number of advantages and disadvantages. In highly developed countries, outsourcing, in some cases, is considered a natural and necessary process of improving the company's position. However, if companies mostly see positive features of outsourcing, the trade union do not have a positive attitude toward such a working model, regarding it as a threat to employees. Nevertheless, for many enterprises, this type of employment often remains the only possible way out in a situation of lack of funds.

The main advantages are as follows:

- the reduction of expenses for certain business processes, activities or operations;
- the improvement of the company's focus on its primary objectives;
- access to a variety of advanced opportunities based on the experience and capabilities of the outsourcing company involved;
- free internal human resources to meet other company's goals;
- resources that are not available within the company;
- risk sharing;
- the infusion of capital into other key sectors in need of additional financing.

There are also additional benefits such as specialized, complete, and professional solutions, the ease of establishing relationships, an increase in accuracy, performance, and efficiency, the reduction or even elimination of storage needs. In addition, outsourcing brings advantages at the macroeconomic level, directing capital flows to the developing countries in case of attracting a foreign outsourcer. These capital flows are being channeled through the creation of production units and workplaces, helping to improve the living standards and sustainability of these economies, primarily by reducing unemployment and increasing the gross domestic product.

Regarding the reasons that encourage the customer company to resort to outsourcing services, it may be the insufficient competence of the company's

personnel, which does not allow to give an objective assessment of the profile technical innovations or the inability to introduce these innovations in the company. In addition, the management of the customer company has the opportunity to transfer some business processes to the outsourcer in order to release its specialists for urgent work in its own subdivisions.

Outsourcing is a multi-faceted phenomenon. On the one hand, outsourcing as a management principle is a refusal of the company's own business process and the acquisition of services for its realization by another organization. On the other hand, outsourcing is a management technology, which consists in transferring some business functions or parts of the business process of the enterprise to a third-party company. It promotes the rationalization of the enterprise management structure by focusing on the main task and transferring non-core functions and corporate roles to external specialized contractors⁵³.

As is known, outsourcing helps companies to operate and develop in the market, while helping to reduce their costs, allows to adapt to the certain circumstances more quickly, and facilitates the improvement of products and services quality⁵⁴. The customer company that uses outsourcing gets an opportunity to concentrate on the business processes inherent to it⁵⁵. In many cases, the transfer of some functions to outsourcing allows to save money. However, it is impossible to say that payment for third party contractor's services will always be cheaper than organization of some process by the company itself.

After all, an outsourcing company is also a commercial structure and, thus, includes the cost of services in its profits. So, if one chooses a contractor only at the price criterion, there is a big risk of losing more because of the poor services quality. Concerning accounting functions, outsourcing is usually cheaper for small enterprises with 1-2 full-time accountants. On the other hand, among the disadvantages, it is necessary to define insufficient knowledge of the client's

⁵³ VAPNIARCHUK, V.V., PUCHKOVSKA, I.I., TAVOLZHANSKYI, O.V., and TASHIAN, R.I. (2019). Protection of ownership right in the court: the essence and particularities. *Asia Life Science*, 21(2), 1-19.

⁵⁴ LYTVYN, N.A., ARTEMENKO, O.V., KOVALOVA, S.S., KOBETS, M.P., and KASHTAN (Grygorieva), E.V. (2021). Administrative and legal mechanisms for combating corruption. *Journal of Financial Crime*, Article in Press. DOI: 10.1108/JFC-11-2021-0241.

⁵⁵ KOROVKINA, N.I. (2018). Problems and prospects of using outsourcing. *News of the Tula State University. Economic and Legal Sciences*, 4, 96-100.

environment, both internal and external. Of course, with close and balanced cooperation, communication and patience, this shortcoming can be easily eliminated.

The second drawback is the wrong definition of an outsourcing objective after having analyzed the decision to apply for outside assistance. The decision should be made taking into account both the advantages and other considerations. For these reasons, it is possible to identify poor alignment of goals, response time and quality, control by different methods, and the difference in “mentality” between employees of the company and an outsourcer. It is also worth remembering that the results of outsourcing do not arise immediately. Most organizations had a 20% drop in labor productivity during the first year of the outsourcing contract, mainly due to the time spent transferring knowledge to the outsourcing provider. However, having received full knowledge and awareness of their clients’ and counteragents’ objectives, they can work together more effectively, saving costs⁵⁶.

Another drawback is the formation of an inefficient, failed outsourcing services contract. In other words, an outsourcing provider is a partner of the organization, and even the contract plays a minor role, taking place during the conclusion of the first agreements on outsourcing. However, there are hidden difficulties in the partnership management process, which should be taken into account to avoid further problems and misunderstandings⁵⁷.

At the macroeconomic level, the shortcomings are more acute for developed economies, as outsourcing removes some of the workplaces inside the company, resulting in lower living standards and higher unemployment at least for short-term prospects. To mitigate possible negative consequences and reduce risks, it is necessary to carry out the following actions: to keep the production of the most valuable goods in the company; keep the production of critical components in the company so that the goods could be reproduced; carry out thorough monitoring; resort to patent protection; develop correct and

⁵⁶ BODISLAV, D.U., and TROACĂ, V.A. (2012). Outsourcing. The Concept. Theoretical and Applied Economics, XIX, 6(571), 51-58.

⁵⁷ RUDENKO, O.N., and KUDINOVA, E.A. (2013). Actual issues of outsourcing definition. International Research Journal, 4, 40-43.

well-formed detailed contracts, eliminating double interpretations; invest in training and reward programs for service⁵⁸.

Nevertheless, having analyzed the advantages and disadvantages, it is possible to state that outsourcing is highly promising in the context of ensuring an effective activity of enterprises. Thus, the balance is inclined to its implementation. Regarding practical aspects, based on the companies' experience that have resorted to outsourcing, it is possible to recommend organizations not to outsource processes which they do not fully understand. Otherwise, it will not be clear what to demand from an outsourcer and what the cost of these services is.

Currently, outsourcing is only gaining momentum in the world. According to a study conducted by the Trestle Group, India (70%), Eastern Europe (without CIS) - (43%), Ukraine (25%) are most attractive countries for outsourcing⁵⁹. Its broad involvement makes adjustments of doing business in the world market, retaining the position of growth over the last decades. Companies' use of outsourcing services in specific industries helps simultaneously increase the company's competitiveness in the dynamically developing areas. This also allows to gain access to necessary professional resources, while reducing their own expenses on solving certain tasks.

Therefore, for the development of outsourcing in Ukraine it is necessary to implement the following measures: consolidate the rights and obligations of subjects at the legislative level; clearly distinguish between the responsibility of the employer company and the client company; guarantee equal conditions and wages both for hired and full-time employees; establish the maximum period of time during which a person can be employed in outsourcing; expand the authorities of the trade union regarding outsourcing relations; include outsourcing in the Labor Code. Only in this case it will be possible to talk about the availability of the necessary guarantees to prevent abuse by the employer.

Discussion

⁵⁸ OVERBY, S. (2006). Global outsourcing guide. Risks, rewards, challenges and opportunities, country by country. Needham: CXO Media Inc. 312 p.

⁵⁹ BEZRUCHUK S.L., and LAJCHUK S.M. (2022). Outsorsyng, lizyng personalu abo posludy z buhgalters'kogo obliku: krytychna ocinka terminiv. URL: <http://pbo.ztu.edu.ua/article/viewFile/67740/63840>.

Ukrainian researchers T. Kovalenko and O. Zoriy analyzed the term “outsourcing” within a scientific paradigm and considered it as a leading method of optimizing the company’s expenses at the current stage of business development in Ukraine⁶⁰. In addition, the scholars classified doctrinal approaches to the definition of this concept and identified the main advantages and disadvantages of outsourcing in domestic enterprises. T. Kovalenko and O. Zoriy analyzed the application of outsourcing in order to improve the services quality rendered by the company, optimize labor, save company’s material resources, being key in decision-making on outsourcing. In addition, the researchers proposed the classification of this phenomenon according to the economic content and the way of interaction between enterprises⁶¹.

In terms of defining approaches to interpretation of the term “outsourcing”, it is necessary to distinguish the work of researchers from Romania V.-A. Troacă and D.-U. Bodislav, who analyzed various doctrinal and legal approaches to the definition of outsourcing and its specific features. In addition, they analyzed the concept of outsourcing in terms of its evolution, incentives, ups and downs. The main purpose of their research is to highlight the fundamentals of the concept of outsourcing, which can be carried out in public service⁶².

French scientists A. Duhamel and B. Quélin make important conclusions about the prospects and growing popularity of outsourcing in their studies. The authors report on the results of a survey of corporate headquarters’ motives in large European manufacturing companies to resort to outsourcing and the risks they perceive as related to strategic outsourcing operations. A. Duhamel and B. Quélin also distinguish four main problems as follows: the concern of the main business and, consequently, the reduction of capital costs; access to external experience and quality improvement are special expectations for outsourcing companies; the economy of operating expenses, which is still the main problem,

⁶⁰ KOVALENKO, T., and ZORIY, O. (2013). Features of outsourcing. *Economic Analysis*, 3, 18-28.

⁶¹ KOVALENKO, T., and ZORIY, O. (2013). Features of outsourcing. *Economic Analysis*, 3, 18-28.

⁶² BODISLAV, D.U., and TROACĂ, V.A. (2012). Outsourcing. The Concept. *Theoretical and Applied Economics*, XIX, 6(571), 51-58.

and should be balanced with costs; “increased flexibility” as a separate problem⁶³.

The issue of the legal basis of outsourcing, in particular, relevant contracts and legislative regulation of their conclusion is investigated by the domestic researcher A. Zgama⁶⁴. The researcher conducts research into legal nature of an outsourcing contract and studies scientific approaches to characteristics of such type of contracts, classifies them according to different defining features on the basis of the content and contractual obligations. In addition, the author carries out research into Ukrainian legislation on regulation of outsourcing and considers existing shortcomings of practical execution of outsourcing relations.

The development of outsourcing in Europe has been studied in depth by Russian scientist S. Alexseev, who notes that in Europe, depending on the location of the service provider in relation to the customer, outsourcing can be divided into three categories as follows: national (a supplier and a customer work within one European state), european (a supplier and a customer are in different European countries) and global or offshore (a supplier is located in another region of the world). The author also reveals specific features of the establishment and development of outsourcing in Europe. He also stresses that European countries have formed a specific, characteristic model of outsourcing use and dedicates his academic work to research of such a model and its features⁶⁵.

Conclusion

Outsourcing is defined as attraction of services from external sources, specialized in a specific issue or process, which the company must resolve or optimize. Companies should consider outsourcing, where it is believed that a third-party organization can perform certain support functions faster, cheaper, or better. Tasks that are not within the core competence of the company are transferred to the third competent party under an outsourcing contract.

⁶³ DUHAMEL, A., and QUÉLIN, B. (2003). Bringing together strategic outsourcing and corporate strategy: Outsourcing motives and risks. *European Management Journal*, 21(5), 647-661.

⁶⁴ ZGAMA, A. (2018). Outsourcing contractual obligations: legal nature and some application issues. *Entrepreneurship, Economy and Law*, 2, 48-52.

⁶⁵ ALEKSEEV, S. (2010). Outsourcing in Europe: Main development trends. *Modern Europe*, 2, 90-101.

Nowadays, outsourcing of certain organizational measures is an integral part of the corporate strategy.

The advantages of outsourcing are significant for large companies such as costs reduction, services expansion, time and experience saving. Outsourcing allows companies to redirect their resources to the main business. Companies can buy technology from a supplier that would be too expensive to build internally. For outsourcing to be successful, the decision must be well-thought. Effective management of outsourcing relationships is the organization's imperative.

The main advantage of outsourcing is more qualitative and less expensive performance of the transmission function. This is explained by the availability of highly paid specialists who have experience in a specific field. The outsourcer accumulates knowledge and practice, creating different preliminary developments for the realization of the transferred function, because it deals with a specific sphere. Consequently, professional specialization results in costs reduction. Then, the process moves up – the more specialization, the easier management, the better management, the cheaper the entire process. Thus, the outsourcing costs become lower as compared to the independent performance of the corresponding function.

Comparing the pros and cons of outsourcing, it is possible see that the balance is in favor of the implementation of this concept at the microeconomic level, while at the macroeconomic level one can talk about the balance between losses experienced by the developed countries and the advantages of the developing countries. Thus, the main aim of outsourcing is to apply advanced business technologies and know-how to gain and retain advantages in competitive struggle, which is getting more and more acute.

The practical result of outsourcing is an opportunity to direct the corporation's own resources to fulfill basic functions that make it strong and requires the smallest number of resources, giving to the external executive those auxiliary functions which it performs better. Thus, corporations can concentrate the latest achievements of science, technology, experience, and practical skills and, thus, ensure maximum satisfaction of consumers' and the market's expectations to preserve and strengthen their competitive positions.

REFERENCES

- ALEKSEEV, S. (2010). Outsourcing in Europe: Main development trends. *Modern Europe*, 2, 90-101.
- ANTONIUK, L., BRITCHENKO, I., POLISHCHUK, Y., RUDYK, N., SYBIRIANSKA, Y., & MACHASHCHIK, P. (2018). Code of ethics for SMEs: Substantiating the necessity and willingness to implement in Ukraine. *Problems and Perspectives in Management*, 16(3), 150-162. doi:10.21511/ppm.16(3).2018.12
- BEZRUCHUK S.L., and LAJCHUK S.M. (2022). Outsourcing, lizing personalu abo poslugy z buhgalters'kogo obliku: krytychna ocinka terminiv. URL: <http://pbo.ztu.edu.ua/article/viewFile/67740/63840>.
- BODISLAV, D.U., & TROACĂ, V.A. (2012). Outsourcing. The Concept. Theoretical and Applied Economics, XIX, 6(571), 51-58.
- CEEEOA. (2013). IT outsourcing to Eastern Europe. Retrieved from: <https://ceeo.org/news/ceeo-news/it-outsourcing-to-eastern-europe/>
- Civil Code of Ukraine. (2003). Retrieved from <https://zakon.rada.gov.ua/laws/show/435-15#Text>
- DERLYUK, O., & PEREPELICHNA, O. (2020). Special conditions: on the rules for concluding agreements with non-residents in the field of IT outsourcing. *Mind*. Retrieved from: <https://mind.ua/ru/openmind/20206210-osobyie-usloviya-opravilah-zaklyucheniya-dogovorov-s-nerezidentami-v-sfere-it-outsoringa>
- DUHAMEL, A., & QUÉLIN, B. (2003). Bringing together strategic outsourcing and corporate strategy: Outsourcing motives and risks. *European Management Journal*, 21(5), 647-661.
- Final Report on Public Consultation No 14/017 “On Guidelines on system of governance”. (2015). Retrieved from: https://register.eiopa.europa.eu/Publications/Consultations/EIOPA_EIOPA-BoS-14-253-Final%20report_Governance.pdf
- Global Sourcing and as-a-service Market Insights - ISG. (2018). Retrieved from: https://isg-one.com/docs/default-source/default-document-library/4q17-global-isg-index.pdf?sfvrsn=ab44fd31_4
- Global Sourcing and as-a-service Market Insights - ISG. (2018). Retrieved from: https://isg-one.com/docs/default-source/default-document-library/4q17-global-isg-index.pdf?sfvrsn=ab44fd31_4
- HOLOVKIN, B.M., TAVOLZHANSKYI O.V., & LYSODYED O.V. (2021). Corruption as a Cybersecurity Threat in the New World Order. *Connections: The Quarterly Journal*, 20(2), 75-87.
- ISCED. (2011). International Standard Classification of Education. Retrieved from: <https://uis.unesco.org/sites/default/files/documents/international-standard-classification-of-education-isced-2011-en.pdf>
- KOVALENKO, T., & ZORIY, O. (2013). Features of outsourcing. *Economic Analysis*, 3, 18-28.

- Law of Ukraine No 5067-VI "On employment". (2012). Retrieved from: <https://zakon.rada.gov.ua/laws/show/5067-17#top>
- LERMONTOV, Yu. (2011). Outsourcing: Civil law characteristics of the contract, features of accounting and tax aspects. Club of Chief Accountants, 1, 36-41.
- LYTVYN, N.A., ARTEMENKO, O.V., KOVALOVA, S.S., KOBETS, M.P., & KASHTAN (Grygorieva), E.V. (2021). Administrative and legal mechanisms for combating corruption. Journal of Financial Crime, Article in Press. DOI: 10.1108/JFC-11-2021-0241
- MEGHEN, P., & O'MALLEY, P. (2019). Defining the scope of Outsourcing. Milliman briefing note. Retrieved from: <https://www.milliman.com/-/media/milliman/importedfiles/ektron/definition-of-outsourcing.ashx>
- NOVIKOVA, A. (2021). Outsourcing to Ukraine: 12 reasons to hire local software developers. Retrieved from: <https://intersog.co.il/blog/12-reasons-to-hire-ukrainian-software-developers/>
- Order of Derzhspozhyvstandart of Ukraine No 457 "Classification of economic activities DK 009:2010". (2010). Retrieved from: <https://zakon.rada.gov.ua/rada/show/vb457609-10#Text>
- Outsourcing—Findings and Issues for Discussion Paper. (2018). Retrieved from: <https://www.centralbank.ie/docs/default-source/publications/discussion-papers/discussion-paper-8/discussion-paper-8---outsourcing-findings-and-issues-for-discussion.pdf>
- OVERBY, S. (2006). Global outsourcing guide. Risks, rewards, challenges and opportunities, country by country. Needham: CXO Media Inc. 312 p.
- Resolution of the National Bank of Ukraine No 361 "On approval of Methodical recommendations on the organization and functioning of risk management systems in banks of Ukraine". (2004). Retrieved from: <https://zakon.rada.gov.ua/laws/show/v0361500-04#Text>
- REZNICHENKO, S.V. (2014). The concept of outsourcing contract, its legal characteristics and types. Retrieved from: <http://dspace.oduvs.edu.ua/handle/123456789/827?locale=uk>
- RUDENKO, O.N., & KUDINOVA, E.A. (2013). Actual issues of outsourcing definition. International Research Journal, 4, 40-43.
- State Committee of Ukraine on Technical Regulation and Consumer Policy. (2010). National Classifier of Ukraine "Classification of types of economic activity" DK 009:2010. Retrieved from <https://zakon.rada.gov.ua/rada/show/vb457609-10#Text>
- Tax Code of Ukraine. (2010). Retrieved from: <https://zakon.rada.gov.ua/laws/show/2755-17#top>
- The 2017 Global Outsourcing 100. (2017). Retrieved from: <https://www.iaop.org/Content/19/165/4701>
- The Good Country Index. (2022). Retrieved from: <https://index.goodcountry.org/>

- UKAD. (2017). Top Software Development Outsourcing Countries. Retrieved from: <https://ukad-group.com/blog/top-software-development-outsourcing-countries/#:~:text=With%20such%20a%20background%20Ukraine,countries%2C%20%2D%20you%20may%20ask>
- VAPNIARCHUK, V.V., PUCHKOVSKA, I.I., TAVOLZHANSKYI, O.V., & TASHIAN, R.I. (2019). Protection of ownership right in the court: the essence and particularities. *Asia Life Science*, 21(2), 1-19.
- Verdictum.ligazakon.net. (2020, December 16). Retrieved from: <https://verdictum.ligazakon.net/document/94421004>
- Verdictum.ligazakon.net. (2020, January 15). Retrieved from: <https://verdictum.ligazakon.net/document/87071646>
- Verdictum.ligazakon.net. (2020, September 14). Retrieved from: <https://verdictum.ligazakon.net/document/91777141>
- ZGAMA, A. (2018). Outsourcing contractual obligations: legal nature and some application issues. *Entrepreneurship, Economy and Law*, 2, 48-52.
- ZHANG, S, JIANG, A., & PANG, Y. (2021). Outsourcing: Overview and Trends. Texas: IntechOpen. 128 p.
- ZIMENKOV, R. (2019). Outsourcing in the practice of American corporations. USA & Canada: Economics-Politics-Culture, 6, 54-80.

Data de submissão do artigo: 14/02/2023

Data de aprovação do artigo: 16/05/2023

Edição e propriedade:

Universidade Portucalense Cooperativa de Ensino Superior, CRL

Rua Dr. António Bernardino de Almeida, 541 - 4200-072 Porto

Email: upt@upt.pt