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How does organizational culture affect organizational and individual trust? - Action Group in Russia

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ABSTRACT

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Aim: This study aims to explore how organizational culture affect organizational- and individual trust, and how the relationship is between the three constructs.

Method: Qualitative method is used for this case study. Semi-structured interviews are conducted with ten representatives of the targeted company. Respondents hold different positions in the organization, including top- and middle managers, and line employees. The data was analyzed thematically according to the three main points of research questions such as organizational culture, organizational trust and individual trust.

Results and Conclusions: Organizational culture and values are set by owners and top management of the company but are influenced by national culture. By using national culture and individual characteristics, and in lining them with organizational culture, organizations can enhance both profit and image. Employee motivation and commitment are enhanced as a result of a high level of trust. With the help of informal control, organizational trust also affects trust at an individual level. However, it is important to employ people whose values match the organizations.

Suggestions for future research: This study is limited to one company in Russia. For future research, we recommend a longitudinal study of several companies to compare them overall, to find the impact of trust on each organizational culture and how it affects employees and business in the long term conditions. Another research approach could be to compare organizational cultures of the companies from different countries to investigate the advantages and differences of factors of success.

Contribution of the thesis: The main contribution is that certain organizational culture affects trust in the organization. Development of trust as a part of organizational internal culture provides certain benefits such as efficiency, innovation, results, motivation and commitment. Trust as a part of organizational culture provides a foundation that enables the organization to develop and adapt to the market. It is important to recruit people with similar values as the company to be able to develop the desired organizational culture.

Keywords: Organizational culture, national culture, organizational trust, individual trust, control, motivation, work efficiency, satisfaction, recruitment.

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Yulia Ippolitova and Emma Groth
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GLOSSARY AND ABBREVIATIONS

Organizational culture – is a kind of internal environment of the organization, which is supported by means of organizational values and norms, and which indicate supported employee behavior.

Internal trust – the climate within an organization in regards to trust and positive expectations that individuals have about the intent and behaviors of multiple organizational members based on organizational roles, relationships, experiences, and interdependencies.

Organizational trust – trust within the organization (internal trust), more specifically trust between managers and employees in a vertical line.

Individual trust – trust between subordinate employee's, in a horizontal line.

Formal control – mechanisms and systems used to ensure that subordinates have done their work tasks.

Informal control – methods used by managers to ensure that the company values and organizational culture is implemented and followed throughout the company.

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1. Introduction

Chapter 1 presents a brief background of the study, previous research regarding trust within organizations, gap in literature and motivation. In the third section of this chapter, the aim and research questions can be found. Further on, limitations present the boarders of the study, and disposition provides the structure of the study.

1.1 Background and motivation of the study

To maintain a competitive position in today's market it has become increasingly important for companies to uphold a unique appearance in the eyes of employees, customers and partners (Vaidya, 2017). This appearance is created by tactical and strategic objectives, forming a safe image and identifying the most important values for a successful business and by providing moral values and principles to their employees. These elements are part of a dynamic process that takes place in the company, called organizational culture (Vaidya, 2017). Organizational culture is described to be a kind of internal environment, which is supported by means of material and spiritual values, and which manifests itself in organizational behavior of employees (Hofstede et al., 2010).

The main purpose of organizational culture is to help employees be more productive in their duties, and to raise satisfaction within the company. As a result economic efficiency is considered to improve (Schneider, 1988). A certain type of organizational performance is enhanced by connecting people with similar attitudes and behaviors living in the same place (Hofstede et al., 2010). National culture has an influence on the relationship among employees within organizations (Hofstede et al., 2010). Organizational culture is considered to be formed together with employees. It is important for employee's goals to go in line with organizational objectives (Schneider, 1988). Hofstede et al. (2010) suggest that organizational culture ensures organizational- and employee objectives.

Scholars like Farris et al. (1973), Fregidou-Malama and Hyder (2015) identify the role of trust in organizational interpersonal interactions and organizational culture. Organizational trust refers to positive expectations about consideration, reliance and competence from members in all levels in the organization. Trust is a basic need for integration and developing democracy within organizations (Fard and Karimi, 2015). Ferrin et al. (2007) state that trust probably is

the strongest influence on group and interpersonal behavior. It is an invisible factor influencing engagement, efficiency, and the survival of any social group. (Rotter 1967, p. 651).

Fard and Karimi (2015) argue that a high level of trust within an organization contributes to lower costs in terms of evaluation systems and control mechanisms, and is of considerable importance in organizational success. However, Ferrin et al. (2007) state that to develop an increased cooperation it is proposed to managers to use monitoring as a control mechanism. Fard and Karimi (2015) suggest that managers and leaders should consider the complexity and multidimensional nature of trust and its effects on job satisfaction and organizational commitment. Trust can be risky, especially in mixed-motive situations where usually one party has motivation and opportunity to take advantage of the other party's cooperativeness (Ferrin et al., 2007).

Focus on trust as an important factor, in inter- and intra- organizational relationships, has increased in different disciplines (Bijlsma-Frenjema and Costa, 2005). Previous research on trust is extensive but only less than two decades ago focus shifted towards how trust effects organizations and how economic coordination activities are influenced (McEvily et al., 2003). However extensive the research on trust is, researchers have yet to distinguish between own trust and another person's trust in you, monitoring (or control), and cooperation (Ferrin et al., 2007). Ferrin et al. (2007) state that researchers do not take part in each other's research and therefore have not come to an agreement on the concept of trust and the different levels of it.

Trust can be found in many different places and connotation. Organizational trust, for instance, refers to positive expectations about consideration, reliance and competence from members in all levels in the organization, including Interpersonal trust and trust in the organization. Interpersonal trust includes Horizontal trust – trust among employees, and Vertical trust – trust between employees and the organizational management. (Fard and Karimi, 2015)

This study looks at organizational trust from an interpersonal perspective, that is, both horizontal trust (called individual trust in this study) and vertical trust (called organizational trust in this study). This study takes the effects of organizational culture on trust into consideration.

1.2 Problem formulation

There is an extensive amount of research found in scientific literature proving organizational culture motivate employees in reaching business goals. In literature about interpersonal trust, scholars often hypothesize that trust in organizations contribute to several advantageous behaviors concerning job performance, collegial relationship etc., that further contribute to organizational outcomes (Ferrin et al. 2007). Not all companies have trust as a cornerstone in their organizational culture. Many managers focus more on the numbers on the bottom line than on developing an organizational culture with focus on trust (Vaidya, 2017), many times by the use of control (Ferrin et al., 2007).

It is not clear what influence trust has on effectiveness since many companies use monitoring as a system of control to ensure company's success. An extensive amount of money is being spent on these control systems. In our study we assume that the level of trust and its focus within organizational culture has a direct effect on the efficiency and company outcome. It is of interest to study whether trust affects company success.

1.3 Purpose of study and research questions

The aim of this study is to explore how organizational culture affects organizational- and individual trust, and how the relationship is between the three constructs. This study focus on the effects organizational culture might have on internal trust.

On the basis of above-mentioned research aim, the following research questions are proposed.

Research Question 1: How does organizational culture affect organizational trust?

Research Question 2: How does organizational culture affect individual trust?

Research Question 3: How does organizational trust affect individual trust?

1.4 Limitations

This study investigates organizational culture from the perspective of trust with a specific focus on one marketing company situated in Russia. There are not many organizations of the same size and cultural values to compare this study with to validate the results. This study takes no regard to other national cultures. Since this is a case study and the chosen company has been operating in Russia, for that reason, we will focus on Russia as the company's location.

1.5 Disposition

This study consists of 6 chapters, presenting information from different stages. Chapter 1 (Introduction) consists of background, motivation, purpose with research questions, justification and limitations. Chapter 2 presents the theoretical framework and chapter 3 describes how the study was conducted and what strategies and methods were used for the research. Chapter 4 consists of empirical findings where the organizational culture of Action is presented, and also the organizations level of trust and other findings. In chapter 5 the empirical findings are analyzed and discussed with the use of theories, presented in previous chapter. In the final chapter, chapter 6, research questions are answered, limitations presented and suggestions for future research are made.

2. Theory

This chapter presents the theoretical foundation for organizational culture, organizational trust and individual trust. The concepts are defined and discussed, followed by discussion on Hofstede's dimensions of national cultures applied to Russia.

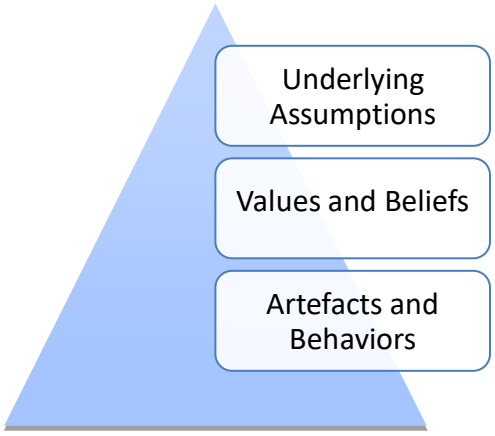
2.1 Organizational Culture

Research on organizational culture can be tracked back to the 70's and has been an important topic since then (Vaidya, 2017). Organizational culture and its impact has led to extensive discussions among researchers and different views are presented, not always in lined with each other. Hofstede, Hofstede and Minkov (2010) explain organizational culture as form of social construction that keeps organizations together by providing coherence. Belias and Koustelius (2014) refers to organizational culture as behaviors and attitudes accepted by the employees which influence their performance and overall well-being.

Hofstede et al. (2010) correlate national culture to shared values and corporate culture to shared practices. They further argue that independent the cultural background of employees, they meet unshared values, and, it is their shared symbols, rituals and heroes that keep the organization together. Trompenaars and Hampden-Turner (2012) on the other hand, argue that organizations do have values and that the main values are inherited based on the founder or the owner of the organization, and that future leaders are recruited with a similar profile to be able to keep the organizational values alive and to provide and translate them to the employees. Schneider (1988) mentions that organizational culture is developed from leadership but also have an effect on leadership.

Schneider, (1988) presents value as one part of a three level model that can be used to describe the meaning of culture in organizations, as it is shown on Figure 1. First level presents the meaning of artefacts and behaviors, while the second discuss values and beliefs. The last level addresses underlying assumptions within organizations. These levels combined can describe organizational culture and define ways organizations conduct business.

Figure 1. Organizational Culture



Source: Adapted from Schneider (1988)

The importance of a strong culture within organizations is, argued by Peters and Waterman (1982), to achieve successful management. Peters and Waterman, (1982 strong values and belief in the culture of the organization promote creativity and innovation. Lack of strong values within organization is cause for disability to maximize productivity through employees (Peters and Waterman, 1982). It is also said that stronger bonds between employees within organization are built by strong organizational culture (Hofstede et al., 2010) and a collective mentality of "how things are done" is provided Schneider, (1987). Importance of strong organizational culture is supported by Bass and Avolio (1993) as it is required to establish an efficient organization.

Organizational culture not only has an effect within the company but also in the interaction with important parties and significant key players such as suppliers, and customers, this is why organizational culture plays a crucial role (Louis, 1983). The relationship between organizational culture and performance and effectiveness is influenced by intervention management-related factors, which are "perception, communication, motivation, planning and decision making, control, and coordination" (Morgan, 1993). Both practice and strategy from human resource can vary, depending on country, due to cultural differences, by size of organization, and by industry. It is further stated that employee relations and human resource have a great influence on business performance (Gerhart and Fang, 2005).

Internal marketing is also a strategy for organizations to influence internal culture and climate (Donaldson and O'Toole, 2007, p. 113). It is a means of creating values within the organization (Kaurav et al., 2016). Rafiq and Ahmed (1998) describe internal marketing as a

planned attempt for the company to align and adapt to change, to motivate, coordinate and integrate employees so that the company's strategies can be implemented.

Organizational culture is a product of occupational relations among employees and between employees and customers, thus it is likely to reform and adapt to the institution's goals and strategies. Therefore, an organization's internal culture should be studied and measured as part of its employees' national culture, demographic characteristics and individual features. (Belias et al. 2014)

2.1.1 National Culture of Russia

It is believed by scholars that national culture has influence on several elements of management, including management style, behavioral ability, organizational structure, basic business processes and functions and activities in the organization (Gupta, 2011). Hofstede et al. **(**2010) state that culture is not something inherited by birth but mental programing and collective reflection that is learnt from the society. According to Hofstede et al. (2010), national cultures are significantly discrete in many ways and differences can be found in terms of language, religion and other factors and also in terms of way of thinking, behaving, reacting and possessing values. Employees, as well as leaders and managers are all part of national societies (Hofstede et al., 2010). Vaidya (2017) argues that the role of national-, as well as organizational culture is important to understand as it affects employee behavior.

Hofstede's dimensions are not without criticism, they have yet been chosen for this study to represent the effect of national culture on organizational culture, since they are widely accepted. The dimensions of *Power Distance, Individualism/Collectivism, Masculinity/Femininity and Uncertainty Avoidance* are chosen.

Table 1 presents the values for four of Hofstede's cultural dimension, for Russia (Hofstede et al., 2010). It shows that Russia has a large power distance as well as a strong uncertainty avoidance, at the same time as it has collectivistic and feminine culture. Russian national culture is said to conclude struggle against misfortune and hard work, that it is collectivistic consisting of kindness humanism, freedom and is truth seeking (Grachev, 2009).

Table 1. Scores for dimensions of culture for Russia

Cultural dimensions	**Score**
Power distance	93
Individualism/Collectivism	39
Masculinity/Femininity	36
Uncertainty avoidance	95

Source: Adapted from Hofstede et al. (2010)

Power Distance describes the emotional distance between managers and employees. High power distance suggests employees only follow orders and managers are not easily approachable at a more personal level. In low power distance the relationship between managers and employees have a more personal character. (Hofstede et al., 2010, p. 61). Individualism suggests that the individual only is concerned about him-/herself while collectivism takes the group into consideration in individual choices. Hofstede et al. (2010, p. 90-91)

In terms of masculinity and femininity it is thought that men are to be tough, competitive and assertive, and their achievements are suggested to reinforce competition and assertiveness. Women are supposed to take on more tender roles (Hofstede et al., 2010, p. 138). In a working environment, masculine goals like high earnings, recognition, advancement and challenges can be seen. Feminine goals consists more of good relationships with managers, good cooperation with colleagues, employment security (Hofstede et al., 2010, p. 139, 167).

There are different ways to prevent uncertainty; by law, technology and religion for e.g., all to predict people's behavior and nature. It is the level of threat someone feels in an unknown situation, that causes stress and desire for predictability (Hofstede et al., 2010, p. 191). The backside to more formal laws and regulations is that it might constrain creativity and reduce development of innovations. (Hofstede et al., 2010, p. 209, 211-213).

2.1.2 Organizational culture and trust

Farris et al. (1973) related influence of trust to organizational culture. It is argued that organizational culture providing trust has an impact on employees' job commitment and integration into work groups and organizations. Belias and Koustelios (2015) confirm that trust in internal relations in the organization is significant to keep working force together. Contrary

to trust and job commitment, organizational culture can be linked to burnout and occupational stress (Ferris et al. 1973).

To increase organizational interaction and trust, organizations require to get employees reclassify different kind of people as in-groups members. Besides that in-group interactions combined by organizational culture has benefits from information dissimilarity of the employees (Gruenfeld et al., 1996). Brannen and Thomas (2010) argue that organizational commitment depend on individual differences and not cultural heritage. They further suggest that focus should lie on individual characteristics instead of the general cultural background.

Brannen and Thomas (2010) further stress the importance for managers in creating organizational culture environments where all employees can thrive and take part in conditions that contribute to commitment and motivation. Companies must manage an organizational culture where employees are recognized for their cultural diversity and their individual differences.

Lewicka and Krot (2015) find trust in the organizational culture generate a higher level of commitment, and make employees to feel proud of being a part of their organization. Positive feelings at work get employees working with higher productivity. High level of commitment is maintained by supporting acquisition of new knowledge and the use of it, and by finding creative solutions. It is stressed that organizational commitment is important to the employees working with higher productivity. (Lewicka and Krot, 2015)

Organizational culture providing training, new knowledge with practical use afterwards and finding creative solutions by the employees turn the employees to be deeply committed and trusted at work. Job commitment through trust in the organization is significant to the employees operating with higher productivity (Lewicka and Krot, 2015). They stress that organizational commitment is important to a large extent when employing people and that they identify themselves with the organization' objectives and values as the outcome is a higher level of commitment in return.

2.2 Organizational Trust

Depending on field of research definition of trust varies as a reflection on the absence of a common theoretical framework (Costa and Bijlsma-Frankema, 2007). There is a widespread

lack of agreement on a suitable definition of the concept (Hosmer, 1995). The definition of trust, in this study, is adopted after the research of Costa and Bijlsma-Frankema (2007) as; trust is based on the expected behavior of the trusted party and the expected outcome of the action. Trust is something that is constantly changing and with a temporary value, that may be both developed or lost (Lewicka and Krot, 2015).

In organizations trust can be developed vertically, in a relationship between subordinate and superior, and horizontally, between employees whereas institutional trust relates to the whole organization (Lewicka and Krot, 2015). Internal trust is described as the climate within an organization with actions taken in regards to expectations on the outcome and can be defined as:

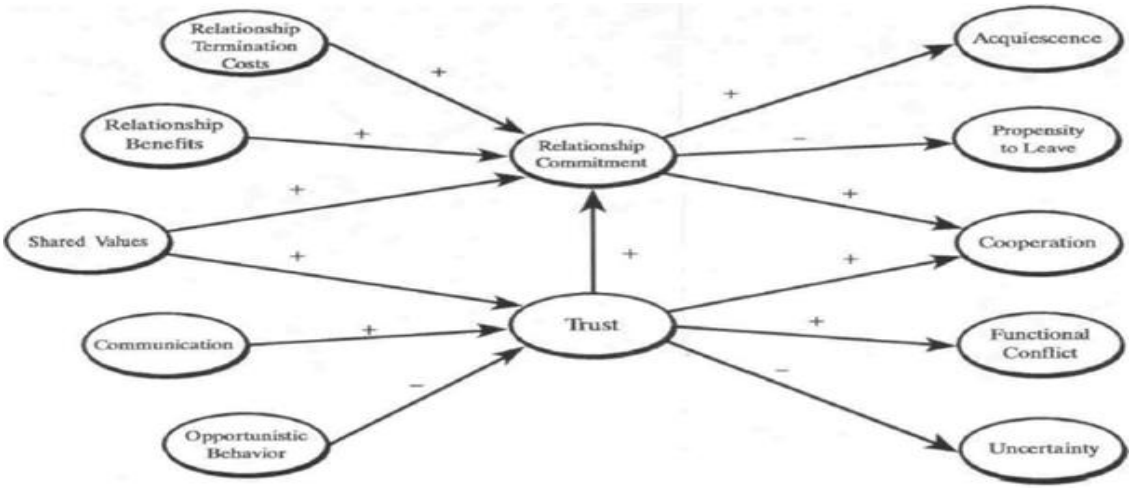
> "…positive expectations that individuals have about the intent and behaviors of multiple organizational members based on organizational roles, relationships, experiences, and interdependencies" (Schockley-Zalabak et al., 2000).

With organizational trust this study means trust within the organization, more specifically trust between managers and employees in a vertical line. Leadership, team work, performance appraisal and goal setting, is argued to be enhanced by organizational trust, and that a high level of organizational trust will have increased success be more innovative and adaptive (Huff and Kelley (2003).

Morgan and Hunt (1994) also argue that building trust relationship between the organization and employees is more productive, efficient and can be the main principle of long-term success instead of failure. Trust and commitment are the keys to stimulate and support employees by cooperating for the long-term relationship (Morgan and Hunt, 1994). This is shown on figure 2.

Trust and relationship commitment are positioned on figure 2 as mediating parameters. Building trust is a long term project and can be both expensive and time-consuming, but can be described as the key value to ease friction between two parties as well as it can lead to better performance (Vaidya, 2017).

Figure 2. Key mediating variable (KMV) model of relationship marketing



Source: Morgan and Hunt (1994)

It is argued that organizations themselves cannot trust, it is the individual members that trust (Huff and Kelley, 2003; Fregidou-Malama and Hyder, 2015). Trust within organizations is argued by Fregidou-Malama and Hyder (2015) to appear with two dimensions: benevolence and credibility. Benevolence permit to believe that one part will behave on the interest of another one. Credibility confirms that the partner is authoritative and reliable to insure the accepted rules and responsibilities.

As vertical relationships gain importance, so does the effective function of trust, yet trust can be destructive as it can lead to betrayal when becoming vulnerable to action of others (Costa and Bijlsma-Frankema. 2007; Möllering, 2005). The same is argued by Zhou et al. (2017), in addition to the increase of positive aspects where trust is high, such as group learning, avoiding crisis's, the ability to be innovative, and where employees have the possibility to freely express their opinion to managers. If the situation is misunderstood by the manager and he or she believes there is a hidden motive the consequence can be that the manager adopts an abusive behavior due to the interest of portraying a specific self-mage (Zhou et al., 2017).

Zhou et al. (2017) further argue that employees are less prone to express their opinion if the manager is more focused on self-service instead of serving others. This also has a negative effect on performance of employees.

Trust is suggested to be the most influential variable on both individual and group behavior (Hosmer, 1995). Groups in high-trust conditions put effort toward group goals and produce a high level of information exchange. In low trust-level conditions the situation is the opposite, with a focus on individual goals to minimize risks (Dirks and Ferrin, 2001). In other words, employees have more cooperative tendencies when trust is high. When trust is low employees have more competitive motives (Dirks and Ferrin, 2001).

Trust can regulate the level of dependence on another party and that will differ depending on situation, person and task (Hosmer, 1995). Different components of trust can be described as; competence, loyalty, integrity, openness and consistency, and these can vary in degree depending on the person's position in the organization (Hosmer, 1995). Sitkin and Roth (1993) mention that previous manners and interactions set the attributes for trustworthiness.

It is suggested that employee's level of trust in managers has a direct effect on job satisfaction since managers are responsible for performance evaluations, trainings and mentoring on job responsibilities. Sometimes managers ask of employees to engage in action that is not included in their job description. When trust between managers and employees is high, employees are likely to put in all their effort, attention etc. for that task, since they believe they will receive appropriate rewards and not be penalized. But when trust is low, the employee will most likely be concerned about the manager's response and worry about the requested action and the effort would be weaker as a result of self-protection. Level of trust is usually at the lowest during organizational crises or restructuring. (Dirks and Ferrin, 2001) In terms of feedback, an employee is more likely to accept the feedback as correct if it comes from a trusted manager, however, if the manager is not trusted, the employee will most likely doubt the accuracy of it (Dirks and Ferrin, 2001).

Trust is many times considered a substitute for control. There is also an argument that trust is incorporated in formal and informal social structures. When trust is misused and opportunistic behavior is adopted the benefits are seen to be only short-term. With a high level of trust, companies can reduce cost of different systems of control and monitoring of performance. (Hosmer, 1995). This view is supported by Sitkin and Roth (1993) as they mention that organizations use formal rules, legal mechanisms and contracts when level of trust is low. In many organizations where a high level of control is used trust is low between management and employees (Sitkin and Roth, 1993).

The concept of trust as a significant mechanism is more recent, whereas control has been a central concept in studies of organization and management for a long time to achieve organizational goals (Möllering, 2005: Costa and Bijlsma-Frankema, 2007). Ferrin et al. (2007) discuss *monitoring* as formal control which, according to Costa and Bijlsma-Frankema (2007) focus on installation of rules, actions and administration to induce desired results. The second aspect of control is *informal control*, which focus on organizational culture, values and norms. The intension for informal control is to minimize possible differences in views on what the goal is (Bijlsma-Frankema and Costa, 2005).

Trust and control are connected processes but the relationship between them is complex and not seldom contradictory, and therefore not easy to understand (Möllering, 2005). Trust is generally agreed upon, among scholars, to function as a factor for smoother relationships (Bijlsma-Frankema and Costa, 2005). The process between the two concepts is seen as a key to achieve effective organizational relationships as trust is seen an essential mechanism in terms of interaction, expectation and behavior (Costa and Bijlsma-Frankema, 2007).

2.3 Individual Trust

The literature suggests that organizational trust can be developed both vertically and horizontally within organizations. By individual trust this study means horizontal trust – trust between employees (Lewicka and Krot, 2015). Trust is suggested to be an attitude that is held by all members of the organization (Janowicz and Noorderhaven, 2006) and is developed by formal and informal relationships (Frigedou-Malama and Hyder, 2014). Trust between employees, conducting everyday operations, show its consequence over time (Zaheer et al. 2002).

It is argued by Hosmer (1995) that trust has a strong connection to the positive feelings about the predicted outcome of a future event. On a personal level, there is a wish to rely on a colleague whom you have confidence in (Morgan and Hunt, 1994) and an expectation that their word can be relied on (Rotter, 1967). It is also argued that confidence from a trustful party comes from a strong belief that the credible party is reliable and has high integrity which is connected with such qualities as consecutive, competent, fair, responsible, useful, and benevolent (Morgan and Hunt, 1994). Trust is said to have a distinct effect on positive attitudes

and generates an increased level of cooperation, team process and performance (Dirks and Ferrin, 2001).

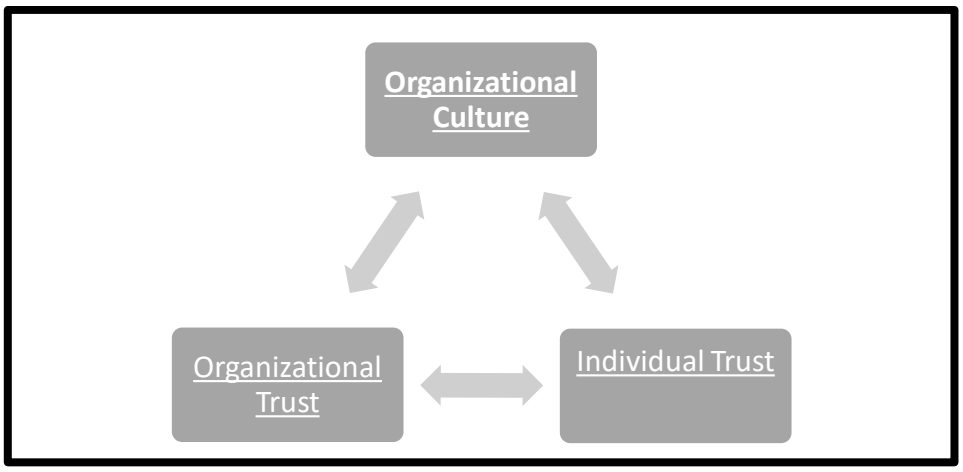
Majority of studies on trust show that trust is a psychological state, and the perception of a person's benevolence, ability and integrity also determines the level of risk taking in that relationship and therefore determines the behavior in the interactions. The higher level of trust between colleagues will lead to larger risk taking in that relationship. Information sharing and cooperation etc. are expected to lead to better performance in, for instance, working groups. Incentives may give employees the motivation for cooperative behavior, while trust enables the possibility for the same and also influence the level of risk-taking behavior. In high trust individuals believe and predict that the partner is willing to cooperate. (Dirks and Ferrin, 2001)

It is important for trust to be present between employees as it lowers conflict and aid success in collaborations, and individual attachment has a direct link to the effect on performance. When majority of employees share norms and values the risk of being betrayed is lowered. (Bachmann, 2001)

2.4 Theoretical Model

After reviewing the different theories in this study, a model of framework (figure 4) was produced to illustrate a theoretical summary, which will be used to analyze the respondents' answers. The model consists of three main parts: organizational culture, organizational trust and individual trust. The model can be seen below. The model explains the effect the studied concepts have on each other.

Figure 3. Effect of OC on OT and IT



3 Methodology

This chapter aims to explain the methods used to carry out this study. How chosen methods to stand in relation to the aim and research questions. Reliability and validity is discussed and further on, how the procedures of interviews were conducted, how data was processed and presented for analysis. The methodology chapter concludes with presenting the respondent.

3.1 Research approach

A good research method is a gathering of literature, presenting research questions, and analysis of findings to come to a conclusion (Yin, 2003). According to Wilson (2001) it is essential to build a framework for the study to follow and to be consequent, to attain the purposed aim. A research approach is a vision determined by the authors investigating assumptions, developing issues and contributing with new information to others (Potter, 1996).

There are several approaches which can be used for qualitative and quantitative researches: they are inductive and deductive types (Neuman, 2003). Inductive method applies for the qualitative research and deductive method applies for quantitative (Bryman & Bell, 2007). Inductive research is based on observations supported by theories. Deductive research starts with finding of suitable theories for the studied phenomenon, to later come to a conclusion by analyzing empirical findings (Bryman & Bell, 2007).

This study is conducted with an inductive approach. Initially the theory chapter is developed containing existing theories. A framework is developed from gaps found in existing theories. Data is collected and with further analysis general findings are presented.

3.2 Case study as a research method

There are numerous possible ways of conducting research within social science, one of which is case study (Yin, 2009, p.2). This study is a case study as it searches to answer research questions of an explanatory nature. Case studies can also be exploratory or descriptive. They all answer questions like; “how”, “what” and “why”. Case studies are flexible in that way that all types of evidence can be used, such as evidence from either qualitative or quantitative

methods and may consist of primary and/or secondary data (Yin, 1981). It is a strength and at the same time a weakness in the sense that the research lack total accuracy (Yin, 2009).

The choice made for this case study is by the use of a qualitative approach to get an understanding of a specific behavior and to contribute to the development of existing theories. Secondary data is gathered primarily from the webpage of the studied organization, and internal reports. Secondary data is collected and reviewed prior to interviews in order to adapt the interview questions for the possibility to fill the studied gap. External information is gathered primarily from scientific journals and relevant literature.

3.3 Qualitative and quantitative methods

"*Research methods provide you with ideas, instruments and models that demonstrate how to conduct sound research*" (Blumberg, Cooper and Schindler, 2011). It is very important for the business research to get the right information to be able to find the best solutions for the business. Working in the regime of multitasking is one more reason of importance the presented information, otherwise the managerial risks are too high (Blumberg et al., 2011).

Qualitative and quantitative methods are two different data collections approaches: qualitative method is built on the words and visual pictures, while quantitative research is based on numbers (Saunders, Lewis and Thornhill, 2009). Bryman and Bell (2005) argue that qualitative research is built on the more detailed and deep answers from the chosen interviewers, but fewer amounts of participants is used; researcher get better vision of the situation but smaller data collection (Nardi, 2003). Quantitative method is the opposite: there are much more participants taking part in the kind of survey to get a wider picture with the focus on the understanding to the context (Bryman and Bell, 2005).

The research approach for this study is a qualitative data collection. This method was chosen as the best for the written aim of the study and research questions. It is important to get a deeper perspective of the researched subject to make the analysis and conclusion. In order to answer the research questions both primary and secondary data was collected. Primary data was collected using a qualitative method in form of semi-structured interviews with open-ended questions, conducted over phone or the video chat called Skype. The respondents were all employees, with different positions at the company "Action" in Russia. Interviews were

conducted with managers and other employees of the company, with two interviewers and one respondent at a time. Interview questions were formulated through induction from previous research to cover the research questions of this study, and used as a guide in order to keep respondents following the topic. Room was left for flexibility for the respondent to speak freely and go in depth, and for interviewers to add questions depending on the revealed information during the interview. Order of the questions was adapted to the discussion and interviewers were also given the possibility to ask follow-up questions or add new questions for clarification or to deepen the knowledge.

3.4 Research process

This study is based on an exploratory approach, which is a good option if there is little previous knowledge about the subject Esaiasson, Gilljam, Oscarsson and Wängnerud (2003). At first, information was gathered on previous research about organizational culture, organizational trust and individual trust to get an overview of existing theories on the subject. After the gathering of theories, the interviews were conducted. Each respondent provided tips for other respondents, until the desired number of respondents was reached.

In order to answer the research questions both primary and secondary data was collected. Primary data was collected using a qualitative method in form of semi-structured interviews with open-ended questions, conducted over the phone or video chat with the software program called Skype, with the duration of 30-90 minutes. The interviews were recorded and supported by written notes. After the interviews, the recordings were transcribed and translated from Russian to English and then analyzed for both similarities and differences which is presented in Chapter 4. All respondents were given the possibility to remain anonymous to (Tourangeau et al., 2000; Dillman, 2007) but no one felt the need for that.

The respondents were all employees, with different positions at Action Group in Russia. Interviews were conducted with managers and employees of the company, with two interviewers and one respondent at a time. Interview questions were formulated through induction from previous research to cover the research questions of this study, and used as a guide in order to keep respondents following the topic. Room was left for flexibility for the respondent to speak freely and go in depth, and for interviewers to add questions depending on the revealed information during the interview. Order of the questions were adapted to the

discussion and respondents were also given the possibility to ask follow-up questions or add new questions for clarification or to deepen the knowledge. The questionnaire was also adjusted after an interview revealed new information (Eisenhart, 1989). The choice of conducting a case study using a qualitative approach was to get an understanding of a specific behavior and to contribute to the development of existing theories.

Respondents were not prepared beforehand with specific interview questions, however, they were informed prior to the interview, about the topic of the interview and the reason behind the study. External information was gathered primarily from scientific journals and relevant literature. Secondary data was gathered primarily from the webpage of the studied organization, and internal reports which were offered by one of the respondents. The secondary data was collected and reviewed prior to interviews in order to adapt the interview questions for the possibility to fill the studied gap. The secondary data provides us with the possibility of triangulation.

3.5 Processing of empirical primary data

Questions for the interview are based on the McKenzie's Organizational culture questionnaire (1995), Hofstede's Organizational culture questionnaire (1990) and Buckingham and Coffman Core employee Opinion Questionnaire (2000).

Questions are divided on the subtitles following after research questions and present the data about organizational culture and values; organizational trust and individual trust, table 2. A brief description how data is processed is given in the previous chapter under "Data analysis method". The detailed description of data processing is as follows.

Table 2. Interview questions

Organizational culture	1. How would you describe the culture that the organization has as a guide? How do you understand the organizational cultural values?
	2. How well is it lived by?
	3. How do you understand the organizational cultural values? What effects can you see it having in the organization?
	4. Is it accepted by all employees? How often is it presented to you?
	5. Do you actively work with the organizational culture, and how?

Organizational trust	1. Do you feel that the company trust you and the work you do? How?
	2. Has the organizational trust affected you in any way? How?
	3. Has the value of trust had an effect on the employees? How has it affected the employees?
	4. How do you work with trust as an organizational value?
	5. What do you want to achieve with trust as an organizational value? What results has it given?
	6. How do you see the management? What would you change and why?
Individual trust	1. What does trust mean to you?
	2. Do you think trust is important? Why/why not?
	3. What would you change or add to increase your trust to the company if u could?
	4. Do you trust to the managers of the company? Why? Why not?
	5. What do you think should be the most important in the future?
	6. What makes you come every day to exactly this work?

3.6 Respondents

The number of respondents participating in the investigation was 10 people asked for around 10 opened questions. Since the qualitative method was chosen, the skype interviews were conducted. The average duration of the interviews was from 40 minutes to 1.5 hours. Of those 10 respondents, were both representatives from top and middle management and line-specialists, representatives of different departments and occupation which is shown in table 3 below:

Table 3. List of respondents

Name	**Position**	**Years of Experience**	**Age**
Elena Reshetova	HR Chief	10	38
Liza Gokova	Administrator (office-manager)	3	24
Olga Kuzina	Chief of department	7	36

Dasha Ryabova	HR specialist	1	25
Olga Skryabina	HR manager	5	28
Natalia Parilina	Service Director	1.5	33
Dinis Habibullin	Account manager	5	31
Olga Sid	Specialist	3	26
Irina Micik	Client's Director	2	40
Roman Haburzania	Specialist	4	27

3.7 Ethical issues

There are three main parts defined by as arguments related to the According to Diener and Crandall (1978), there ethical issues are involved in research: negligence of gathered data, dishonesty and shortage of confirmed permission. The above criteria were carefully maintained throughout the study.

The research process was discussed with top management of the company. Being the representative from the top management of the company, director of human resources gave her permission to the researches to study the company and conduct interviews with the employees.

All the gathered data was properly written and referenced, the most important citations are used in the empirical part of the study. And all respondents were informed about the purpose of the study: they got description of the study and the interview questions. After that authors of the study asked the respondents if they want to participate in the research. Respondents asked more concrete questions about the study and their own participation. Finally all the interviewees agreed to take part on the research process.

During the interviews' process it was requested by the company management that it is possible to keep the company name opened. During the interviews authors asked all respondents regarding their choice of name to be anonymous or not. Some of the respondents requested their names to be anonymous. Authors changed those respondents' names to keep them anonymous.

3.8 Reliability and validity

Reliability and validity have a significant relation with the quality of study (Bryman & Bell, 2005).

According to Malhotra (2003) the study is reliable if it shows the same result if to make it another time. Gummesson (2005) argues that reliability cannot be applied in general to a case study. By carefully documenting the method of data collection and analysis, chances are increased for a case study to be repeated correctly and for the results to be the same (Yin, 2009).

Therefore, it has been thoroughly documented in this chapter, of the processes used for information gathering and analysis. Questions for the interview were presented alongside the theories are based on. Besides that the respondents were chosen carefully, all of them has education and work experience in the company according to their position; open-ended questions have been asked to get as much information as possible, all the respondents were asked the same questions. To make the study even more reliable, secondary data was gathered.

The validity for qualitative research means that gathered data information and methods are relevant for the study, it shows how trustable is the study (Yin, 2009) and how effectively and safely the study results are summarized (Malhotra, 2003). The difference of qualitative research from the quantitative one is that smaller amount of respondents giving subjective responses based on subjective suppositions (Yin, 2009). For the qualitative study it is important to ask valid research questions firstly, and, to follow it through the valid methodology, sampling and data analysis, findings and conclusion (Gummesson, 2005).

One of the validity attribute in our study is that all the respondents are qualified and most of them have more than at least three years or more of work experience in the company. Besides that interview questions are based on the previous researches and were tried before that decreases the risks of inappropriate questions being asked. The answers were gathered carefully and recorded in case of clarification; we kept neutral position during the interviews and indicated just gathered facts. The empirical results were carefully compared with the theories and kept track with the research questions.

4. Empirical Findings

This chapter presents the business in general, to show the major areas of activity in Action Group. Further on presenting empirical finding from collected data – processed to make it understandable for readers. The presented data is in alignment with the aim of the study, research questions and the theoretical framework. A brief introduction of the company is presented by the head of Human Resource Department, Elena, who has been working at the company since 2008. All the information for the secondary data was provided by the head of Human Resources department of the "Action" company.

4.1 Introduction of "Action", Marketing Agency

Action Group is a group of companies providing a full range of marketing services in all trade channels to leading manufacturing companies and distributors all over Russia.

It was established in 2008 and provides different kinds of promotion services for different product categories and target audience segments. Today, Action Group brings together a network of regional offices in Moscow, St. Petersburg, Nizhny Novgorod, Yekaterinburg, Samara, Volgograd, Kazan, Ufa, Chelyabinsk, Novosibirsk, Rostov-on-Don, with a total of 58 own representatives.

The main specialization of "Action" is consumer marketing including strategy development, brand launching, maintaining sales off-season, switching consumers with competing brands, and increased consumption of existing customers.

The main types of services:

- Consumer marketing;
- Trade marketing and integrated solutions for retail chains;
- Merchandising;
- Indoor-advertising production and placement of promotion materials;
- Out staffing - staff recruitment and training;
- Organization of events.

"Action" is very proud of having clients like Coca-Cola, Nestle, Heineken, Google, LG, Nescafe, Volkswagen and many other well-known brands. The company operates in more than 600 cities across the country to solve problems that sometimes seem overwhelming.

One of the main values of the agency is their staff. “Action’s” working team include 350 people in the main office, from 1000 to 5000 people working in common projects, and more than 50 people as the regions representatives. The agency employees open up innovative ways and implement technologies to develop and lead projects. "Action" appreciates the work of their employees, because it is the key to the success of the company and future development.

For many years marketing agency "Action" is the winner of awards in marketing and human resources competitions, for example, in 2014 the company won the “HR-Brand”-award, and since 2009 regularly takes part in the festival "Silver Mercury", with the mission of training, development, inspiration, recognition and advertising professionals. "Action" was also awarded in three categories in “GLOBES”-awards in 2009 – 2010 and entered top three placement at the “IDEA!” festival in 2015. Despite all difficulties faced by the company, on a regular basis in the dynamic market of marketing today, "Action" has made it to be one of the top three agencies. The company operates on a permanent basis with more than 170,000 outlets in all distribution channels in Russia. Clients of “Action” group are some of the biggest multinational and Russian companies working in the field of consumer goods, both food and non-food products.

The agency present their own employees as the most valuable resource of the company: they open new directions and introduce high technologies, develop and conduct projects. “We value the work of our employees, as it is the key to the success of the company's operations and further development”, - Elena (head of HR in Action Group).

4.2 Organizational Culture

Primary data

How employees understand organizational culture

The majority of respondents had knowledge of the organizational culture and could explain it as well as which values are included. Values and cultural guidelines where formed after a strategic session including the top management of the company. The values include trust, openness, respect, cooperation, drive and efficiency. After the strategic session the HR department formulated behavioral guidelines presented in a handbook called “Corporate Ethical

Code" (Appendix 2). All behavioral guidelines are in lined with each organizational cultural value. All respondents confirmed that each organizational value is constantly present. Communication in the company is built on the respect towards each other, and trust in their own professionalism.

Organizational values and their effects on the team

The employees support the company presented values, and those who do not usually have a short term employment since their behavior is divers from what is expected from managers and colleagues. The client's director provide an example: there was a top-manager who was very effective and gave herself high marks on her own work, however, she was mean to worker, could be very disrespectful, and even yell at them on occasion. She was presented with an ultimatum from the Managing director, to either change her behavior or leave the company. Management can see workers behave as a positive example in presenting the organizational values every day and to act accordingly in all communication with others.

It was possible to build a friendly atmosphere in the company providing openness of minds, supporting each other and helping if it's needed. But, at the same time everyone knows about subordination and not taking advantage of the system. Recently top management moved their office further away from the workers. Before the move, employees could come in to their office any time. Some of the employees disliked the move because "it felt that they distanced themselves from us", - Elena (head of HR department). But, in another way, it is evident that top managers also need their space to discuss things without being disturbed by employees every second. After some consideration it is possible to see how this move can improve working conditions in the organization. Instead of dropping in at any time appointments have to be made to meet with the representatives in top management.

How employees provide and support the culture and values

The respondents said that they provide the organizational values by their own behavior, to set a positive example for others. Routine checks are held by representatives of human resources department so others can follow them as well.

In order to successfully pass all the stages of selection process to become an employee of "Action", candidates must have a professional education, which around 90% of employees

have. Candidates who have not graduated from a professional education institution can only qualify for the trainee or assistant positions; they constitute only around 10% of the staff of the company. The reason for this is the fact that all the other positions in the company involve full-time employment with 8-12 hours of work per day. Since the students are unable to be present during office hours, because of to the current learning process at the university, they are offered jobs as trainees or assistants. These types of positions provide a flexible schedule and the ability to work part time. This also provides "Action" with potential to find future leaders.

Secondary data

To better understanding the organizational culture and values of the company, head of Human Resources department of the "Action" provided information about their organizational values and *"*Corporate ethical code*"*. In this study this is seen as secondary data.

In 2009 top-management of "Action" had a strategic session where they chose and accepted the main organizational values/competences for the company and for the employees. After that, specialists from the training department made a small handbook calls *"*Corporate Ethical Code*"* (Appendix 2) where the meaning of each value is explained and examples in the company.

Organizational values of "Action"

There are three groups of values/competences "Action" focus on. Each employee gets information about these values in the introduction of the first training day. Every value is explained as well as suitable and accepted behavior within the organization. Every employee is supposed to know these values, support and maintain them among colleagues. These values are:

1. ***Corporate values/competences*** - characterizes the "spirit of the company." Corporate values/competences include trust, cooperation, drive, efficiency, respect and openness.

2. ***Professional values/competences*** - associated with the assessment of the effectiveness of personal and professional activities. Professional competencies include communicability, learning, teaching, stress-resistance, self-confidence, responsibility, analytical thinking, professionalism

3. ***Managerial values/competences*** - related to the evaluation of the effectiveness as a manager. Managerial competences include leadership, team work, self-motivation, strategic thinking, coaching and development of subordinates.

Corporate ethical code of "Action"

To better understanding the values of the company, every employee gets a book calls ***"*Corporate Ethical Code*"*** to read. Ethical code explains the behaviors accepted in the company. It is presented in Appendix 2.

4.3 Organizational trust

Primary data

How managers provide organizational trust to their employees

Most of the respondents said they see that the company trusts them and they feel good at work. It is because their managers give ambitious tasks, develop and promote their employees, communicate with respect, made a comfortable and very nice office where it is pleasurable to work and do after work activities. After work activities include inviting different speakers to the office-lounge. The speeches are of different themes and are regarded as very useful for self-development and open for an audience even outside the company.

Effect of manager's trust on the employees

Trust as a value of the company culture gives the employees more possibilities to do their best and adapt their professionalism in many different ways.

The value of trust has a big impact on the employees. Client's director and head of Human Resources department said: "When we trust employees, we give them more freedom to make their work in the best way they can think of and get the best results. They get interesting tasks and projects which motivates them to do their best". The employees have medium income salaries in regards to the rest of the market, but the highest motivator is interesting work and ambitious tasks and goals, comfortable labor conditions, friendly colleagues and managers, work independence, comfortable and modern office, openness, partnership management style, trust and recognition of a job well done. Employees develop by the possibility to climb the

career ladder or by learning new skills from other departments, they are open minded, they are active and take initiative, as well as they effectively reach their goals.

Exposure of trust as a value through the company

Managers provide trust and other organizational values through training programs for new employees, through strategically placed posters and in everyday working life setting examples of good behavior. It is written and explained on the posters what way of behavior follows the organizational values. Human Resource department's representatives regularly discuss existing working conditions and ways of communication between managers and employees. Every trimester they have competitions where the workers choose Mr. and Mrs. "Trust" by voting. Surveys are also handed out on a regular basis to employees, regarding work satisfaction etc.

"Actions" mission is: "Happy people – Happy clients – Happy profit". Everyone, from the owner till the secretary implement this in their every day job.

With the provided organizational trust management want the employees to be satisfied with the work they do. It is believed that when you show employees trust, they are working more efficient and they also give their own trust back in addition to becoming more committed and engaged.

4.4 Individual Trust

Primary data

Defining employees'/individual trust

Individual trust means the respondents trust in the professionalism of their colleges; everyone has the right to make a mistake and to get a constructive feedback, can take decisions on his own level and take responsibility.

Effects from the individual trust

For employees of "Action", trust between colleagues is very important and no other way of managing the organization is considered to get the same results. Action Group thanks its positive results to the organizational values from the founders of the company and the top-

management, and the fact that all employees share them. Action Group believes that the best way to manage people is through trust, and that trusted employees put much more effort into their work. Employees are seen to stay after hours without complaining, if they feel the need to finish something important or to help each other. The reciprocal relationship with the management insures that employees are mentally more involved and really try their best to do a good job and to not let their colleges down. The organizational culture in Action Group challenge employees to see possibilities and solutions instead of problems. The possibility to provide this atmosphere of trust in combination of finding suitable employees has been the formula for a winning concept. Action Group has a goal for employees not only to do their best for the company but also do the best for each other.

Individual trust and control

Respondents noticed that if there is no trust there is a higher range of control. Managers, who spend a lot of time controlling employees, are seldom efficient themselves. As more time and effort is spent on control systems the goals and global vision loses its values, as so much effort is put in handling every little detail. However, the respondents add that employees are also different and some need more control then others at different times. In these cases respondents say it's important to give honest feedback, to pinpoint the weaknesses and to make a plan to develop those skills. This is why managers hold annual individual meetings to discuss the employee's competence, what is good and what should be improved. Managers support their employees to develop and to improve their professional and personal skills. The main point for the future is to be consecutive and follow accepted rules and obligations in their work.

Individual trust, motivation and engagement

"Action" is considered to be a very attractive employer for all the respondents, as the respondents shared their positive aspects of coming to work every day, and the reasons are:

1. Attractive working environment where they feel like they can be themselves, and free in their work. The project manager said: "For our company, the main focus is positive results, and that we can attain anywhere in the facilities. Our office is very special this way: it has many different special zones where we can work in a comfortable atmosphere; in soft armchairs, in the lounge, in the open space of the office or even from home. Time is not limited if not

required by the project. We can also invite our friends to the office after work for a meeting or party, it is allowed for the employees".

On the stage specially built for certain occasions "Action" organize different trainings and self-development meetings with famous speakers, and anyone interested can take part in the event. Besides that, there are many happenings after work such as gatherings with colleges, singing songs and other team building and developing activities.

2. Great opportunity to make a career and develop within the same company, to understand how things work from beginning until the end. Senior Human Resource manager says: "During five years I got a promotion three times. I have my development plan and I know what I want to reach". The possibility of getting a promotion is, however, limited to the number of vacancies.

3. Working atmosphere and special people, all with same values, working at this company. It is important to confirm the fact that all participants mentioned this. For instance, Human Resource specialist and Service Director said: "I can be 100% sure that the wrong type of people will not be working here because of the great job the HR department is doing in finding the right people for us. Their interviews and special tests in the recruitment process give us the possibility to choose "right people"."

4. Daily ambitious tasks. Human Resources specialist and Account Manager said: "The belief my boss has in my potential, make me work even more effective and develop my professionalism. The managers see more than we know ourselves about our possibilities and they do it with so much respect and confidence that we also try our best to reach even bigger goals. I think this is the reason we are the number one marketing agency in Russia". All respondents find the atmosphere in the company very positive, people are nice, positive communicating with each other, and respect each other's professionalism and privacy.

5. The company's care for its employees in practice and not just empty words. An office-manager mentioned: "For instance, when my husband broke his leg and needed the crutches, my boss accidently overheard me talking about that. Within 30 minutes I was asked to come to my manager, where he told me that the company would like to help our family, so they bought crutches for my husband. And he wasn't even employed here. For me it was something unexpected and I was very grateful for that. This example makes me even more patriotic for the company".

6. The view the company has of its employees as human beings before anything else. The account manager said that “they take care of us and this also makes me grateful to work for this company. So, I can stay longer at work if it's needed, and I try my best to do the best work I can to show my devotion and commitment to the company. I am very patriotic according to my company. Even people who quite working here for different reasons, say that this was the best company they ever worked in”.

Secondary data

Trust as a value of the organization and employees, description of the positive and negative behaviors accepted for trust-value in the organization

For the employees to have the same vision of trust as a corporate value, representatives of human resources department presents a brochure to all employees, where they can find descriptions of the certain type of behavior asked for by the company, presented in table 4 below.

Table 4. Trust behaviors

Compe-tence/Value	Negative Behavior	Positive Behavior
Trust	Gossips, discusses others without their presence	Openly discusses with the partner the misunderstandings
Trust	Scolds for the slightest mistake, show discontent, not owning up to own mistakes, recheck after others	Always own up to mistakes and recognizes others for the right to do mistakes
Trust	No trust to the college even without working cooperation, does not accept his competence, does not allow him to make decisions independently, to be responsible for the final result	Even with no experience of interaction with a partner, a priori recognizes his competence, uses the words: "I trust you", "you are a professional", "do as you see fit"
Trust	Totally controls employees of any level, even with a positive joint experience	Uses the type of control that is required depending on the level of the employee

Source: “Action”, Human Resource department

The table explains what behavior provides individual trust and what negative behavior is promoting distrust. Manager also use this template in individual meeting and assessments with

employees. They note the employee's behavior in the template and discuss it individually to evaluate their results and set future goals. Representatives from Human Resources department made this document and all managers use it as an aid to evaluate employees work according to the accepted values and behaviors in the company.

Description of "trust behavior" is presented in table 4, to better aid the understanding and the meaning of trust from the company's perspective.

The secondary data regarding recruitment, adaptation, training and development of employees in Action Group can be found in Appendix 4. Information was gathered by the human resource department and further presented for this study.

4.5 Summary of the chapter

In order to get a comprehensive overview from the Action group empirical studies organizational culture, organizational trust and individual trust, the following Table 5 was composed. The main issues gotten from the interviews of representatives of the company are summarized and presented in the table below.

Table 5 presents evidence relating to the three concepts of this study, which in turn describe the features of the framework.

Table 5. Summary of evidence

Constructs	Data sources	Evidence
Organizational Culture respect	Interviews	Trust, cooperation, drive, efficiency,
	Secondary Data	Openness, initiative, action, innovation.
Organizational Trust	Interviews	Ambitious tasks, work efficiency, results,
	Secondary Data	Partnership, team work, motivation, career
Individual Trust	Interviews	Personal respect, reciprocal relationships,
	Secondary Data	Commitment, development, satisfaction

Source: Adapted from empirical findings

5. Analysis

This chapter presents and critically analyze the data with existing theory, to outline similarities and differences of discussions between the respondents. Initially, the organizational culture is discussed and compared to the Russian culture by the use of cultural dimensions. The discussion moves on to manifestation of organizational culture, and further to organizational trust and its significance. After that individual trust within organization is discussed, followed by what the effects are on employee commitment.

5.1 Organizational culture

The organization of Action Group has a clear strategy of introducing the cultural values at an early stage in the process of employing new personnel focusing norms and stability. This is done regardless to what position in the organization it concerns, and suggested to be a key factor for organizational success, as Hofstede et al. (2010). The organizational values are followed up on a regular basis and manifested through internal marketing by the use different signs and messages, to work as a reminder for employees how to behave. Peters and Waterman (1982) also observed that strong organizational culture builds stronger bonds between employees, and promote creativity as well as innovation.

The organizational culture is strong within Action Group as respondents reveal that employees who have a hard time adapting to the organizational culture, or are unwilling to adapt, usually have a time limited employment as deviating behavior is not supported by other employees or managers. By presenting the organizational culture from the very start new employees are provided with the collective rules to work by (Evans, 1986), they learn how "things are done" in this organization.

All employees are presented with the values and culture of the organization during the adaptation program. This is done to guide employees in portraying positive attributes that Action has identified as beneficial for both employees and ultimately for the company. By presenting cultural values for the organization in a clear way and continuously following up on the performance according to these values, conflicting attitudes are normalized. Action Group work actively with all three levels that describe organizational culture according to Schneider, (1988) which are: Underlying Assumptions, Values and Beliefs, and Artefacts and Behaviors.

As Action group has strong organizational culture, it is important for them to hire the right people with the same values as the company organizational values to aid cooperation between all employees and management. The focus lies cooperation and not competition and to help each other in coming up with creative solution.

Managers empower employees to feel free and confident to present new ideas and solutions for different problems or challenges instead of waiting for manager instructions. On the other hand, Action Group's way of taking care of employees, and on a regular basis evaluating performance and working conditions, can be seen as a paternalistic role, which is characterized by power distance (Hofstede et al., 2010). They have a clear and structured way of making sure that organizational values and local culture are being followed.

Performance and effectiveness are connected to organizational culture, and influence by intervention management-related factors, which are "perception, communication, motivation, planning and decision making, control, and coordination" (Morgan, 1993).

The level of trust is high and employees have freedom in the creative process. By using a combination of internal marketing (Donaldson and O'Tool, 2007) and informal control, Action Group provide the "mental software" (Hofstede et al., 2010) for all employees. What is expected from them is clear, known by everyone and systematically controlled. According to Costa and Bijlsma-Frankema (2007) control is seen as a central mechanism for expectations, interactions and behavior. It is understood that when most researchers discuss control, it is about developed systems for managers to use to see if employees are doing the work in the right way. This is not the case in Action Group. The difference with how control is used in Action Group is to examine if the organizational culture and values are being maintained, not if they are doing the job correctly. Instead of formal control Action Group uses informal control (Costa and Bijlsma-Frankema, 2007), which focus on organizational culture, values and norms. The intension for informal control is to minimize possible differences in regard to the organizational goal (Bijlsma-Frankema and Costa, 2005).

Special trainings are held for new employees, to teach them about the organizational culture, and posters are placed in strategic places as a reminder of how employees are expected to behave. Every trimester a competition is held as a motivation and promotion to follow the organizational culture. Human Resource Department holds repeated discussions on how the

communication is working between managers and employees, and also about the working conditions.

5.2 National culture's influence on organizational culture

As presented in chapter 2.1.6, Russia scored high on both power distance and uncertainty avoidance (Hofstede et al., 2010, p. 303), two of the national culture dimensions. It can be debated if Action Group has an organizational culture that matches the national score as Action group promote an open-door policy.

Respondents mention that 80% of the employees have a higher education. According to Hofstede et al. (2010, p. 65) higher education show lower scores in the power distance index and in countries with low uncertainty avoidance both known and unknown risks are accepted (Hofstede et al., 2010, p. 197-198) and the organizational culture of Action Group promote accepting risk of making mistakes while having the mandate to find creative solutions for their customer. It is also shown that societies with low uncertainty avoidance are more prone to be innovative. (Hofstede et al., 2010, p. 211-213).

As Russia is a fairly collective society (Hofstede et al., 2010). Action Group takes advantage of the collectivistic benefits such as creating a strong and cohesive group of employees by encouraging certain traits and positive reinforcement, such as an open mind, polite manner, positive feedback and taking responsibility for your mistakes. Much effort is also put in to employing people with the right mindset that can be further adapted to fully fit the organizational culture.

Grachev (2009) also mention that Russians portray feminine traits like kindness, humanism and truth seeking. This goes in line with the cultural values Action Group provide throughout the organization, as employees are trained to care for each other, have good manners, be accepting and take responsibility for their mistakes.

5.3 Organizational Trust

Management trust employees to follow the values and not take advantage of their trusting nature. The managerial trust in the employees go in line with how trust is explained by Fregidou-Malama and Hyder (2015). Employees confirm the feeling of company trusting them and complimenting them on a job well done. Action Group provides its employees with ambitious tasks, respectful communication, development and promotions, and put a high level of trust in them (Dirks and Ferrin 2001). It is argued that high level of organizational trust will have increased success rate, more innovative employees as well for employees to be more adaptive (Huff and Kelly, 2003). By the answers of the respondents it is shown that even though the wages are at medium level, Action Group is still an attractive employer with engaged and committed employees. Employees have a high level of freedom in their work tasks, and personal development and innovation is highly encouraged. An increased level of trust toward organization also generates a higher level of commitment, related to pride in being a part of the organization. Organizations can benefit a great deal with affective commitment from employees (Lewicka and Krot, 2015; Huff and Kelly, 2003). As Dirks and Ferrin (2001) describe, when employees trust their managers they are likely to put in extra efforts and attention outside their role description, the employees focus on organizational goals more than personal. This is also confirmed by the respondents of Action Group.

Looking at how Morgan and Hunt (1994) (figure 1) describes trust, qualities are presented, that they suggest are the foundation for development of trust, and the positive consequences evolved in turn. Shared values, communication and opportunistic behavior lead to trust, and in turn cooperation, functional conflict and uncertainty is the outcome. These qualities are seen in Action Group to be in the focal point of organizational culture and clearly lead to a high level of trust, however, trust is not risk free. As the relationship between managers and employees become increasingly important so does the outcome of organizational trust yet it is fragile in terms of betrayal (Landfred, 2004, after Costa and Bijlsma-Frankema, 2007). Action Group uses informal control to prevent situations of betrayal.

To maintain the quality in the organizational culture and extended level of organizational trust, Action Group maintains informal control since the organization focus on trust as a cultural value. Costa and Bijlsma-Frankema (2007) describe the concept of control, in the context of organizations, as an instrument to adjust employee behavior in such a way to enhance the possibility to reach organizational goals. Respondents mentioned that higher level of trust

decreases the costs for “control systems and performance monitoring” (Hosmer, 1995) and other legalistic mechanisms (Sitkin and Roth, 1993).

By managers giving constructive feedback at Action Group, having their employees best interest at heart as well as the development of the company they focus on being positive role models. Constructive feedback is better accepted by employees when there is a high level of organizational trust existing (Dirks and Ferrin, 2001). As Zhou et al. (2017) mention the role of management behavior is of significant importance for the employees to express their opinions as it is depending on level of trust. Managers at Action Group see trust to be a highly influential variable that has an effect on both individual employees as well as the organization at whole (Hosmer, 1995).

The result of providing organizational trust at Action Group, according to the respondents, is that employees are open, loyal to the company, competent and have freedom to be themselves. This goes in line with Butler and Cantrell (1984, after Hosmer, 1995). Employees tend to be more cooperative than competitive when organizational trust is at a high level (Dirks and Ferrin, 2001). Respondents confirm that cooperation between their departments and each other is an important part in their everyday interactions.

5.4 Individual Trust

Trust is argued (Frigedou-Malama and Hyder, 2015) to be developed at the individual level. The organization has also established a continuous process to make sure trust is constantly upheld (Lewicka and Krot, 2015).

The company uses trust to provide partnership and openness among their employees. Dirks and Ferrin (2001) confirm that higher levels of trust are expected to result in more positive attitudes, higher levels of cooperation and other forms of workplace behavior, and superior levels of performance. Respondents observed results in positive outcome in several areas such as professionalism, engagement, ambition, involvement and efficiency. (Bachmann, 2001; Dirks and Ferrin, 2001).

Trust not only affects creativity and innovation process with employees. A symbiosis of energy, ideas, commitment and experience in the company provides a strong team, new business-opportunities and builds strong trust relationships between employees according to

respondents. Ambitious tasks, development, comfortable and modern working space, partnership communication with the management, - this is what trust means for the employees. As the employees told they were first of all regarded as human beings, with their problems and requests taken into consideration, and second they are viewed as employees. This is how they behave every day, providing company's values among each other. The Ethical Code adopted by the company in the "Action" provides employees with the trust behavior towards each other. Hosmer (1995) suggests that "trust is strongly connected to the positive feeling about expected outcome of a certain event" which in turn is observed from the answers by the respondents.

Reciprocal relationships are provided by the company through organizational culture. Colleagues take responsibility in their work and trust in each other's professionalism. According to Mishra et al. (2014) the belief in a partner's integrity, ability and kindness increase the willingness to take risks, including risks taking in relationships. It is further suggested that cooperation and sharing information leads to a higher company outcome.

Building individual trust starts already from the recruitment where suitable people with similar values to the company's, are chosen as candidates for the working position. This means that the exact organizational culture and values as Action Group has established is continuously adopted amongst the employees. All provided management actions and behaviors, according to accepted rules and values, increase employees trust in each other (Dirks and Ferrin, 2001).

Strong connections between organizational culture and values, organizational trust and individual trust are identified and go in line with the original framework. Organizational culture provides vision and values (Trompenaars et al., 2012). Management works in communicating these to employees. With the certain help of management style (Schneider, 1988) employees put in more efforts as a result of being appreciated and having their needs met. The fact that organizational values and individual values go hand in hand has a significant relevance. Majority of respondents confirmed the fact that they prefer working for this company specifically because they can be themselves (Dirks and Ferrin, 2001). They do not need to change, they are accepted for who they are and this makes them feel good. They are "Action people".

5.5 Developed Framework

After analyzing the empirical data and comparing it to presented theory new information has been found and the original framework has been developed as in figure 6. Information was found that more variables have a significant impact in the role of organizational culture and trust but also that organizational culture and trust has an impact on other variables.

National culture has an impact in the sense that to hire the right people, that suit the organizational culture, a significant selection has to be made that go against the nation's own culture of high power distance and high uncertainty avoidance. National culture, consisting of power distance, individualism/collectivism, masculinity/femininity and uncertainty avoidance, is also moved to incorporate all parts of the model instead of only being seen an influence on organizational culture.

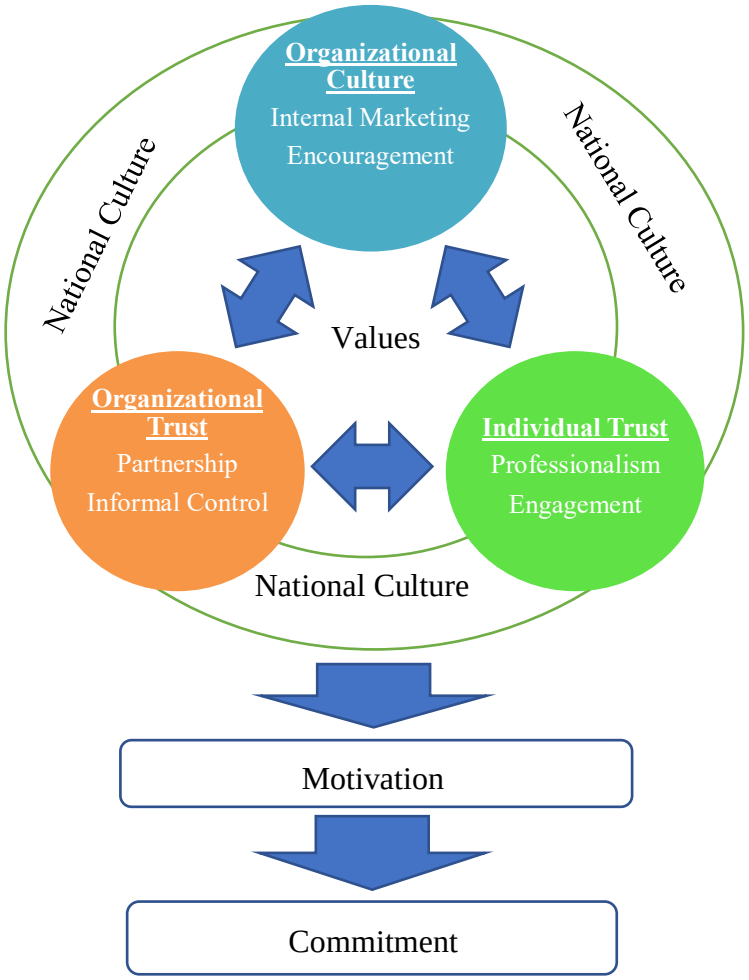
With internal marketing the organizational values are pushed out to the entire organization and with the help of encouragement the company makes sure that employees do their best to adopt the values.

With the value of trust in mind the company focus on the entire organization being in a partnership and that everyone is equally important in their role to reach company goals. With periodic evaluations the company uses informal control to ensure that the organizational culture and values are being upheld, and that employees are working in a partnership with the company goal in mind.

With the help of internal marketing, encouragement, and the values of the organization, individual trust is developed and employees are seen to be more professional towards each other and the company as well as engaged in their work.

With organizational culture, organizational trust and individual trust working in a unity the company has found a way to motivate the entire organization and as a result a higher level of commitment is observed, as it is shown in figure 4.

Figure 4. Impact of NC and Organizational values and their effect on the relationship between OC, OT and IT



6. Conclusion

In this chapter, the results of this study is presented and research questions are answered based on the analysis presented in the previous chapter. This study contributes to existing theories on organizational cultures and its effect on internal trust. Furthermore, research limitations and suggestions for further research are also described in this chapter.

6.1 Fulfilment and discussion of research questions

Three research questions have been addressed in this study:
(1) the effect of organizational culture on organizational trust,
(2) the effect of organizational culture on individual trust, and
(3) the effect of organizational trust on individual trust.

By comparing respondents answers to both existing theories and secondary data conclusions could be made to present answers to the research questions in this study. Below we present more detailed analysis of the findings according to our research questions.

Research Question 1: How does organizational culture affect organizational trust?

To answer RQ 1, this study shows that organizational culture has a clear effect on organizational trust which is present in different levels. First level, is for top management being both clear and in agreement on set values for the organizational culture shows to have a direct effect on the mindset of employees only if employees have similar personal values. Second level deals with requirement for hiring the "right person" which is important. Focus on trust as a value in organizational culture is shown to have a positive effect on actual trust between managers and employees. With a strong organizational culture, focusing on trust, and employees with very similar values organizational culture can be seen to be strongly adopted even at the lower levels of the organization. If an employee with dissimilar values should be hired there is an immediate cause for conflict.

Organizational trust can be further developed through training programs, information material and mentoring to ensure correct behavior. The "open door" mentality show employees that the distance between managers and employees is shorter, not only in policy but in practice

as well. This shows employees that managers stand by their word and support the employees. In turn the employees do their best. These actions all improve trust within the organization.

Research Question 2: How does organizational culture affect individual trust?

When working with specific cultural values and recognizing trust as a key factor in the success of the organization, an organizational culture can be formed that, with informal control, has its own "heartbeat". That is to say, that the organizational culture has been rooted very deep on an individual level that deviant behavior is not taken lightly, even by employees. The employees participate on a large scale to uphold the cultural values. Benefits can be seen such as cooperation, engagement, support interaction and collaboration among employees.

Focusing on establishing trust within the organization it can be developed horizontally as well as vertically. By the use of informal control rules of behavior can be set in the organization. This provides a sense of security in terms of uncertainty avoidance. By knowing how to behave and how colleagues will behave in certain situations trust is reinforced.

Research Question 3: How does organizational trust affect individual trust?

Organizational trust affects individual trust. When organizations build trusted relationship between management and employees, it also affect interpersonal interaction between employees on the horizontal level. In organizations where trust is a core value positive interactions between employees can be seen as increased work efficiency, sacrifice of personal time, increased level of responsibility and increased autonomy and reliability. It has also shown to have a positive effect when promises are kept and decisions and actions are consequent.

If there is room for the employees to make mistakes and feedback can be given in a constructive way the level of trust becomes enhanced. With a strong value of trust, from top managers, presented in a clear way throughout the organization has a positive effect on trust between employees.

6.2 Contributions

Theoretical contribution

The findings of this study contribute to the expansion of previous literature on trust and organizational culture. Most research focus on one or two concepts that are related to each other, and not in combination with other concepts. This study combines internal trust and organizational culture. This research further looks closer at trust as a key value in organizational culture.

Managerial contribution

The results of this study reveal that trust, in combination with informal control and having trust as a corner stone in organizational culture, play a large role in creating an atmosphere among managers and employees that contribute to positive work ethics, creativity and compassion. The role of the recruitment process contributes to maintaining of organizational atmosphere and process of developing trust among employees. In selecting suitable individuals with values and mentalities that go in-line with organizational values and culture, trust is highlighted and adopted in both organizational and individual level. Individual trust is thereby influenced by organizational trust and vice versa.

Informal control promotes organizational culture and values. In organizations where creativity is necessary, trust and personal development are tools to enhance employees' professional competences and activities. These are all factors that can strengthen organization image effectively. This contributes to a positive increase on the bottom line, for the company.

6.3 Critical reflections and suggestions for future research

This is a single case study with a limited amount of interviews with employees and managers in a company in Russia. As only one company was focused on, the results cannot be generalized as valid for every company in Russia. Further only ten respondents were selected for this research. Due to time limitation the possibility to ask follow-up questions was limited, and thus the opportunity to go in more depth has to be considered. Further analysis and follow-up questions could have discovered more issues and a wider understanding of the issues could have been at this study's disposal if given more time.

To validate the findings of this study, more empirical research need to be done, with companies that have trust as a key value in the organizational culture, and to do a comparison of level of trust between companies situated in different national cultures. However, as this is a case study, where all sources of information can be used as evidence, challenges might be presented in an attempt to replicate this study.

Issue with risk of objectivity may being compromised in terms of organizational culture, where it is possible for the authors to transfer their own perception or values. We have tried to keep a neutral position, and to impassively analyze the data without any deviation. However, it is impossible to be fully neutral and to not let one's own experience influence the results. Efforts have been made with best attempt, to reduce controllable limitations.

For future research, we recommend a longitudinal study of several companies with different organizational cultures, to compare them overall, to find the impact of trust on each organizational culture and how it affects employees and business in the long term conditions.

Another research approach could be to compare organizational cultures of the companies from different countries based on different national cultures to examine the advantages and differences of factors of success and which of them would be possible to implement in other companies

A third suggestion for future research is to compare the organizational culture and the culture preferred by its employees: preferred and current organizational cultures are seen to influence motivation and working commitment.

Furthermore, it can be beneficial to learn about the effects of trust relationships on an inter-organizational level (Fregidou-Malama and Hyder, 2015) not just inside the organization (internal trust), but also between the organizations working together (business to business) and between organization and its clients (business to client). To study external trust can improve the quality of occupation and services but also to further understand customers' needs and literacy.

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Appendix 1

Organizational culture	1. How would you describe the culture that the organization has as a guide? How do you understand the organizational cultural values?
	2. How well is it lived by?
	3. How do you understand the organizational cultural values? What effects can you see it having in the organization?
	4. Is it accepted by all employees? How often is it presented to you?
	5. Do you actively work with the organizational culture, and how?
Organizational trust	1. Do you feel that the company trust you and the work you do? How?
	2. Has the organizational trust affected you in any way? How?
	3. Has the value of trust had an effect on the employees? How has it affected the employees?
	4. How do you work with trust as an organizational value?
	5. What do you want to achieve with trust as an organizational value? What results has it given?
	6. How do you see the management? What would you change and why?
Individual trust	1. What does trust mean to you?
	2. Do you think trust is important? Why/why not?
	3. What would you change or add to increase your trust to the company if u could?
	4. Do you trust to the managers of the company? Why? Why not?
	5. What do you think should be the most important in the future?
	6. What makes you come every day to exactly this work?

Appendix 2
Corporate ethical code of "Action"

1. Preamble

We - a large, close-knit team with common goals and values, which has its own traditions and internal organizational culture. Our company - is a team of like-minded people and professionals. The stability of our Company in the pursuit of continuous improvement of "Action" is focused on long-term cooperation with each person accepted into our ranks.

The company develops only together with its employees and, in turn, the employee is also being developed in conjunction with the Company. We are aware that the reality in which they live Company formed its staff, so we understand that each person who is a member of our team, is also a major resource and value "Action" LLC.

Any team to better achieve common goals need rules that will be the basis of the interaction between its members. Collection of such rules and regulations in our team is the Code - Code of LLC "Action."

This code is similar to the management, which is designed to ensure that our staff are aware of the history and culture of "action", what we believe and what to expect from each member of our team, and that, in turn, each of us can expect from the company. Corporate codec of "Action" - a set of basic ethical and business standards and principles that guide our employees in their professional activities.

We look forward to the conscious adoption of these standards by each member of our team, as these rules were dictated and shaped over time by joint activities of our employees and their experience of "Action."

2. Basis of corporate culture

Our mission:

"To develop and manage talent in emerging markets for growth and our customers' brands, do it better than others and having fun doing it as partners."

Our goals:

1. The formation of "Action" as the leader of BTL-services to the Russian market by increasing the self-image and level of recognition among customers and other advertising agencies;

2. Continuous improvement and development of human resources of the organization;
3. Ensuring a high level of customer focus at all times co-operation with the client;
4. Regular increase job satisfaction of employees;
5. Maintaining a high level of social responsibility of the company and its employees.

Our values:

Value in relation to:	A responsibility	Teamwork	Efficiency
Company	The Company's liability to employees, partners, government and society	Encourage team spirit and collaboration within the company and with external partners	The pooling of resources of the Company and market participants to expand joint capabilities and efficiencies
Employees	Responsible employees related to the Company's reputation	Association of professionals to achieve outstanding results	Personal efficiency and careful use of resources - each employee's contribution to the success of the Company
clients	Liability of the Company and employees to customers for the results of its activities	Reliable partnership in a team with clients and contractors	Providing the most efficient solutions for the customer

3. The rules of interaction with customers

- Maintaining a high quality of service and customer service is a determining factor in our success - in fact, they expect from the activities of our company. In order to constantly meet the expectations of our customers, you must:
- to act in their work with clients respectfully, honestly and openly on the basis of mutual benefit;
- to assist in the selection of the project mechanics, in the best interests of the client;
- provide timely and quality implementation of projects;
- to create conditions for long-term cooperation with clients;

- to provide customers on their requests and their own initiative all the information about the status of the project and the Company, provided that the information is not related to trade secrets;
- ensure the confidentiality of customer information during and after the negotiation and conclusion of contracts;
- attentive to comments, complaints and claims against the Company and our services;
- if necessary, advise clients on how to review and address complaints and claims;
- timely and carefully consider such uncertainties and conflicts, to quickly resolve claims and complaints and take the necessary measures to eliminate the consequences of the violations;
- for poor quality or delayed customer service responsibilities equally bears the employee and his immediate supervisor.

4. The rules of interaction with colleagues

- the basic principle of interaction between all employees - respect for the individual and human dignity, openness and goodwill, a willingness to always help colleagues;
- all actions of the Company employees must demonstrate and confirm their respect for each other and the contribution that everyone contributes to the common cause;
- respecting the dignity of each other, employees must not allow ourselves to rudeness and boorishness, whatever the situation;
- discrimination and hostility towards any employee on the basis of his race, religion, gender, age, nationality, disability, or those same signs of his relatives or friends should not be tolerated in any shape or form;
- appeal to the colleague should start with his name, referring to "you";
- interpersonal conflicts will not be reflected in the professional interaction between the conflicting parties;
- both sides have arisen interpersonal conflict as soon as possible to resolve it, if the parties have not reached an agreement, they may apply for assistance to the line manager or the staff HR-department;
- Conflicts have arisen on the basis of service objectives will be settled heads conflicting sides.

5. The rules of interaction between the manager and the subordinate functional

The main task of the head - to help subordinates grow professionally and develop, to see the prospects of its activities in the context of units and the entire Company, sense of belonging to a common cause.

Managers should:

- optimally organize the team work and the ability to take into account the employees so that each of them had the opportunity to work at the highest level and enjoy their work;
- encourage personal successes and achievements of employees;
- by example to demonstrate a high level of professionalism;
- encourage initiative, creativity, independent thinking employees;
- timely inform employees about decisions that maintain friendly business atmosphere in the team, to prevent possible conflicts between employees;
- remember that the responsibility for complying with corporate ethics and other rules of local regulations it is subordinate, in particular, and on it;
- remember that the lack of adequate publicity breeds mistrust and misunderstandings;
- ongoing dialogue with employees, be prepared to compromise.
- Functional subordination follows:
- to comply with an official chain of command when interacting with the head;
- contact the supervisor's name and "you"
- refer to the immediate supervisor for help in the event of a difficult, complex or controversial situations related to professional activities;

6 The responsibility of employees to the company

- All employees of "Action" are responsible for compliance with all local regulations of the Corporate Code, the existing labor legislation and universally recognized norms of human morality and ethics;
- employee of the Company is responsible for the quality of its work;
- Company employee is personally responsible for maintaining the working environment and the socio-psychological climate in the team;
- employee of the Company shall be responsible to co-workers and leaders for causing any damage not only his actions but also omissions;
- Company employee is responsible for the effective use of their working time;

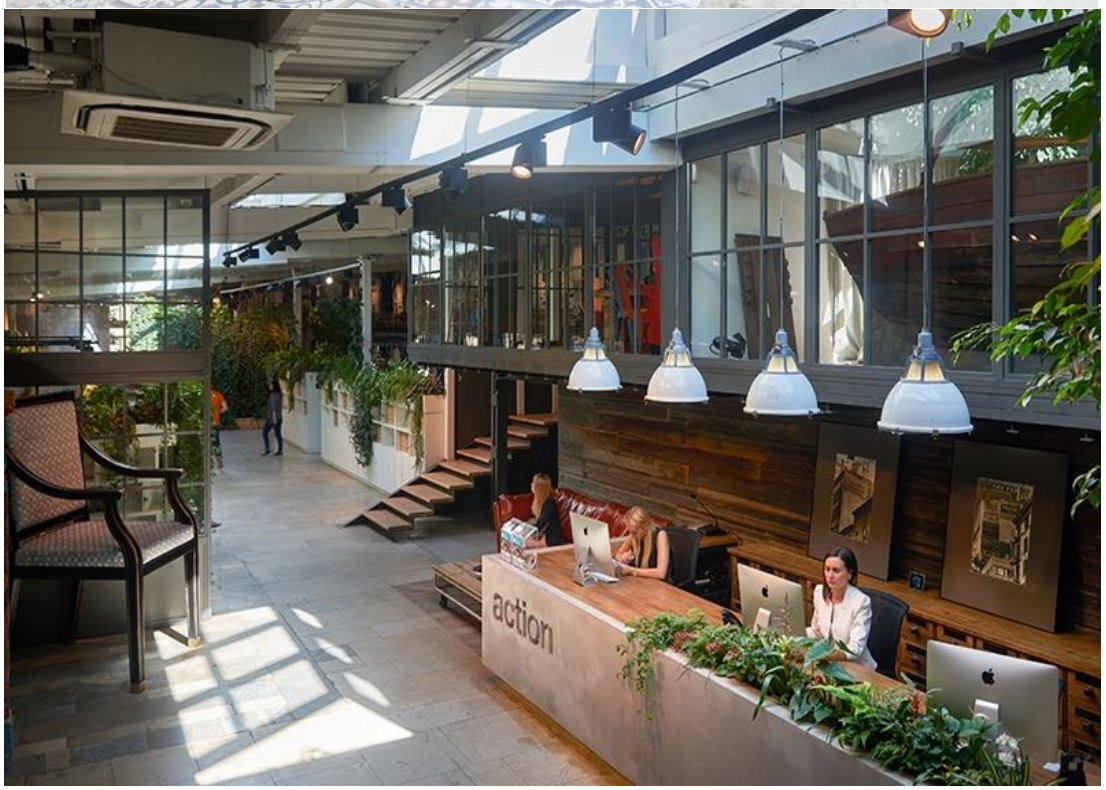
- Company employee is actively involved in the prevention of any unlawful actions by other employees, customers, partners and other parties.

7. Responsibility towards employees

- The company is responsible for compliance with all local regulations of the Corporate Code, the existing labor legislation and universally recognized norms of human morality and ethics;
- The company is responsible for ensuring that all employees decent and adequate level of remuneration;
- The company is responsible for the formation of the optimal conditions for the work of each employee;
- The company is responsible for the support and development of initiatives and production "know-how" of employees;
- The company is responsible for the creation of equal conditions for professional and career development of all employees.

Appendix 3

Office interior of "Action"



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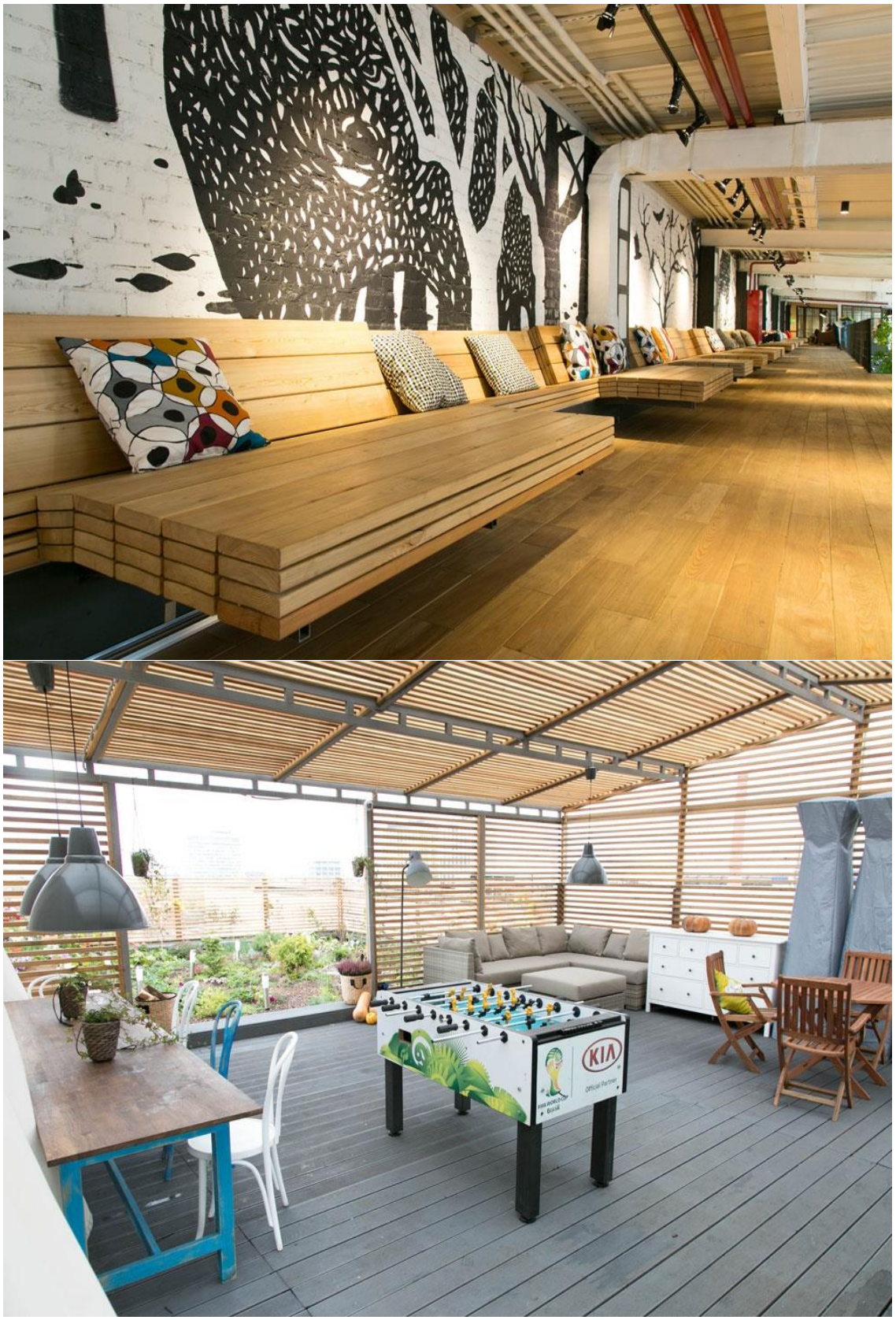
terrace



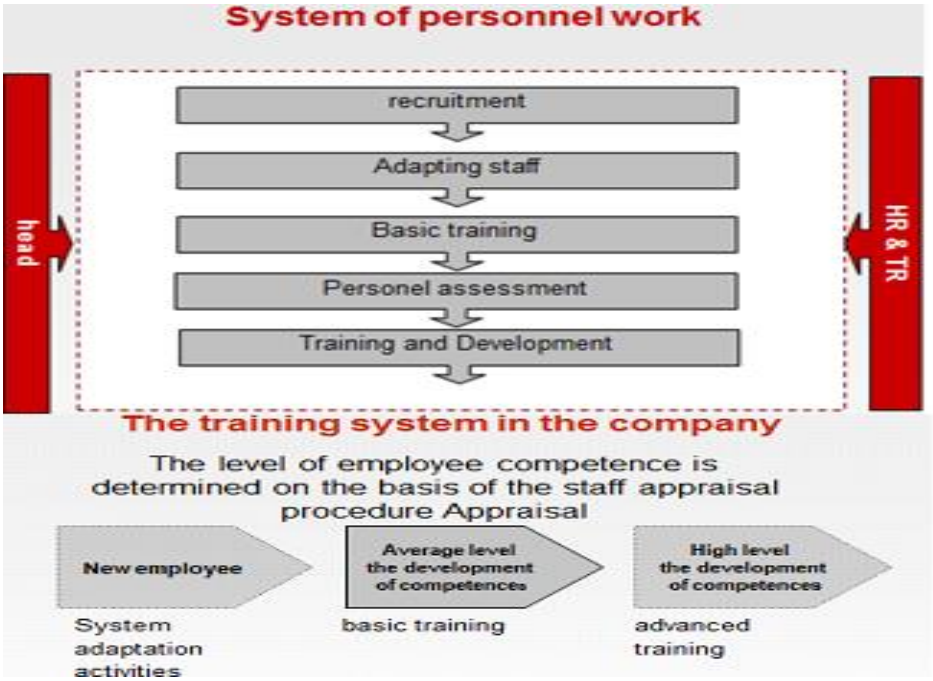
Organization of the working system with the employees

Appendix 4

Most of the respondents noted that the organizational culture works in a successfully way because “Action” puts a lot of efforts in recruiting “the right people”. After the recruitment, focus then lies in the development of the new employees. The head of Human Resources department shared information presenting how the processes is organized when of working with personnel (Figure 5).

Figure 5 shows the process of working with their employees: from recruitment until professional working level including adaptation, assessment and trainings on each level of the employee’s development; from the basic to high developed level of their professional competences. Further, every stage of the process is described by the head of human resources department under the figure.

Figure 3. System of work with personnel



Source: “Action”, Human Resource Department

Recruitment system

Employee recruitment system of "Action" begins with the receipt of an application for a new employee in Human Resources department. The proposal describes the required experience necessary and valuable knowledge, previous working contacts, which can have a person from

the latest employer, wages, responsibilities and duties. Then, a position description appears on the internet resources, a meeting place for the company and the applicant. Looking through the responses to the open position, Human Resource manager sends eligible candidates to their contacts, asking to call back if the vacancy is still relevant for the applicant. If a candidate calls back, the Human Resource manager carries with him a brief telephone interview in which he finds answers to basic questions, such as: "Still interested in this vacancy? Why I had to leave the previous place of work? Are all responsibilities listed in the description of the company's familiar?

Similarly, during an interview on the phone manager evaluates the adequacy of the candidate, his manner of speech, the general message and the energy with which it maintains a dialogue. In the case of successful passage of a telephone interview, the applicant is invited to the office of "Action", where Human Resource manager introduces him to a potential leader, then goes for full interview.

The advantage of such interviews is the fact of acquaintance with the head of the department where the vacancy is opened. Interviewer can evaluate the candidates and select them not only for their professional skills, but also for their personal skills suiting this company and helping to work more effectively in the future. The downside is that the loss of working time in the case of the head does not correspond to the requirements announced by the applicant. Usually, the decision on the candidate is given a couple of days. This is to ensure that recruiter and the future leader can understand if it is the right candidate; otherwise they need to find more relevant candidates and organize the interview.

Training period of the new employee

When a suitable candidate is found, he/she gets a job offer from the Human Resource department of the company including working conditions, bonus and other allowances. For all positions with rare exception trying period in the company is 3 months. On the first day a new employee gets acquainted with formal colleges and get his/her adaptation plan which includes trainings and future development.

Induction system of training and development for the employees

There is an “induction system of trainings” developed in the company for more effective adaptation of new employees. The system is divided into several training sessions, about 10 pieces. Each training is devoted to acquaintance with any department of the company, whether

it's legal department, accounting, IT and other. Induction representative is an employee of this department, usually the best one, working the most; describing the department functions to the new employee, the intricacies of the work, both within the department and with it, communications with the department and the problems that may arise in violation of procedures of interaction.

There are three main trainings about the company that is organized for new employed staff, they are «Induction Pro» and «Induction values»", which describes the internal rules and regulations adopted by the "Action", internal communications, teamwork and values of the company. Human Resource department tries to keep track of every employee, and keep records of visits to such events in the interest of the company to carry out a rapid and effective adaptation of employees. Just all Inductions, which are held in the organization are recorded on video, and the novice can quickly find and watch the webinar if necessary. All employees have access to these files.