

Master's Thesis

Entrepreneurship and Business Administration Competence

2014

Irina Tikka

# ORGANIZATIONAL VALUE ESPOUSAL ONLINE

– Indications of Russian organizations



TURUN AMMATTIKORKEAKOULU  
TURKU UNIVERSITY OF APPLIED SCIENCES

Irina Tikka

## ORGANIZATIONAL VALUE ESPOUSAL – ONLINE INDICATIONS OF RUSSIAN ORGANIZATIONS

This research analyzes the communication of espoused values of Russian internationally active organizations. The analysis and findings of this research provide a holistic view on how and why Russian companies indicate their organizational values. The most important studies on this field are focused on describing espoused organizational values, Russian organizational characteristics and importance of management on values. These themes are described thoroughly in a literature review.

The major research questions of this study are: *Do Russian companies state their organizational values online? How the values are described: directly or hidden in some part of company description? Are there any meaningful differences between the values written in English and Russian languages?* At this stage I can indicate that according to the data received and findings reached all the research questions are answered. According to my research majority of the case companies communicate their espoused organizational values in annual reports and/or web pages. Referring to further studies I can state that Russian business environment is undergoing organizational changes and transformations toward modernization. Therefore the essential toward reaching a standard of contemporary organization is conducted through management on values.

### KEYWORDS:

Organizational values, espoused organizational values, indicating values, Russian culture and values, web pages, annual report

Irina Tikka

## ORGANISAATIOIDEN OMAKSUTUT ARVOT - VENÄLÄISTEN ORGANISAATIOIDEN ILMAISU VERKOSSA

Tämä tutkimus tarkastelee yritysten omaksuttujen arvojen viestintää yritysten Internet-sivuilla ja vuosikertomuksissa. Tarkastelukohteena ovat viisitoista venäläistä kansainvälistä yritystä eri sektoreilta. Tutkimus perehtyy muun muassa arvojen perusolemuksen, niiden merkitykseen ja omaksumiseen organisaatioissa, sekä venäläisen yrityskulttuuriin ja siinä arvojen näkyvyyteen. Tutkimus tarkastelee kielellisiä ja viestintäkanavien välisiä eroja arvojen viestinnässä ja perehtyy erityisesti organisatoristen arvojen viestintään Internet-sivulla ja vuosikertomuksissa. Aikaisemmat tutkimukset ovat vahvistaneet että arvojohtaminen on Venäjällä nouseva trendi ja oma tutkimukseni tukee sen, että ainakin kansainväliset venäläistaustaiset yritykset viestivät arvojaan sidosryhmilleen. Tutkimukseni todisti myös, että venäläinen kulttuuri ja historia näkyvät selvästi venäläisten yritysten arvoissa.

### ASIASANAT:

Arvojohtaminen, omaksutut arvot, venäläiset arvot ja kulttuuri, arvojen ilmaiseminen Internet-sivuilla ja vuosikertomuksissa

# CONTENT

<b>1 INTRODUCTION</b>	<b>6</b>
1.1 Background	6
1.2 Research problem and objectives	7
1.3 Structure of the thesis	8
<b>2 LITERATURE REVIEW</b>	<b>9</b>
2.1 Value context	9
2.2 Organizational values	12
2.3 Espoused organizational values	18
2.4 Value structure to examine espoused organizational values	20
2.5 Russian characteristics and values	26
2.6 Russian organizational culture and values	30
<b>3 METHODS AND DATA</b>	<b>35</b>
3.1 Data selection method and sources	35
3.2 The research process and data	39
<b>4 RESULTS</b>	<b>42</b>
4.1 Overall description of the results	43
4.2 Key findings	45
4.3 Evaluating the findings	48
<b>5 CONCLUSIONS</b>	<b>54</b>
5.1 Suggestions for further research	55
<b>REFERENCES</b>	<b>56</b>

## APPENDICES

Appendix 1. Organizational value espousal.

Appendix 2. Background information on organizations.

## FIGURES AND TABLES

Figure 1. Forms of organizational values. ....	15
Figure 2. Organizational values overlapping. ....	17
Figure 3. A typology describing four organizational types and their associated value structures. ....	22
Figure 4. Drivers of Russian culture. ....	27
Figure 5. Espoused organizational values. ....	53

Table 1. List of selected companies. ....	37
Table 2. Company selection criteria. ....	38
Table 3. Organizational information. ....	39
Table 4. Organizational value espousal. ....	44
Table 5. Organizational information and value espousal. ....	47
Table 6. Categorizing organizations. ....	50

## **ACKNOWLEDGEMENTS**

First and foremost I would like to express my gratitude to my instructors and supervisors Eila Jylhä, the Degree Programme Manager at Turku University of Applied Sciences and Piia Heliste, the Project Manager at CEMAT, Aalto University School of Business. Eila Jylhä supported and encouraged me all the way through my masters' studies. Piia Heliste gave me this exciting topic to do research on, introduced me to many interesting articles that have been important source of reference for this study and assisted me with her irreplaceable support and knowledge.

Additionally I would like to thank my parents – the experts of Russian culture. They have raised me based on fascinating and rich Russian culture and supported me on my way to become a truly multicultural individual.

Last, but definitely not the least I would like to thank my boyfriend Pekka for believing in me, doing the housework and taking care of our peculiar dog.

Thank you all for helping this process reach a fruitful ending!

# 1 INTRODUCTION

As being a multinational individual and a business student, I have been interested in getting to know better my cultural background and study Russian business environment. I moved to Finland when I was twelve years old so my experience and deep acquaintance about Russia is limited mainly to my childhood. This research gave me an opportunity to study business environment of today's Russia, explore value related literature and getting hands on adjusting theory into practice.

The thought about doing thesis on this subject I received from Center for Markets in Transition (CEMAT), Aalto University School of Business. The idea was to do research on values of Russian organizations. The subject was limited into more concrete one to make a study only on those values that organizations display online. I decided to select approximately 30 organizations and explore the values that they state on their web pages. Additionally I studied the existing literature on organizational values and their communication online.

During the research process the study disclosed along some new perspectives to deepen investigation on specific areas such as espoused organizational values, sources of value indication, Russian organizational culture and Russian values. Finally the study was structured into a goal-directed research with clear research problem and objectives.

## 1.1 Background

Russian business environment requires plenty of cultural knowledge and professional expertise to be entered. The same concerns Russian organizations when entering the international market. As stated by Alexashin and Blenkinsopp (2005) Russian managerial values are also developing and internationalizing,

which is crucial for the future working relationships between Russia and Western countries. The transformation of Russian organizations into more contemporary ones has already begun - many of those organizations working in international market initiated the formulation of organizational values. To become a modern one, organization has to possess some contemporary key values which are independency, autonomy, tolerance and self-expression. Referring to Kabalina and Cheglakova (2013) those organizations that have conducted values of organizational culture and stakeholders into their operations can be truly successful in the long run.

## 1.2 Research problem and objectives

The purpose of this study is to explore whether Russian companies indicate their organizational values online, in this case web pages and annual reports.

The primary research question that will be evaluated with this study is:

*Do Russian companies state their organizational values online?*

Consequently, in order to understand the phenomenon more deeply, the sub-questions of the study are following:

*How the values are described: directly or hidden in some part of company description?*

*Are there any meaningful differences between the values written in English and Russian languages?*

Another objective of this research is to investigate, whether organizational background such as company's year of establishment, amount of personnel, language and area of expertise have any impact on indication of organizational values. Further here will be made some key findings and assumptions which rely on the studied literature. Another intriguing point of this research is to observe, whether there will appear some findings which would support the



existing literature or introduce some new information. Additionally it is important to analyze the discovered data with the background information from the literature review. As a final statement there will be introduced some suggestions for further research.

### 1.3 Structure of the thesis

The thesis begins with Chapter 2, which is dedicated to review the existing literature and getting to know enough background information to conduct the research. The literature review begins with evaluating values and their meaning and visibility on organizational level. Additionally the literature review covers espoused organizational values and Russian framework which will be the main focus of the research. Further the methods of conducting the study and clear explanations of data selection method are evaluated in Chapter 3. The study concludes with precise and comprehensive analysis and theory application on values espoused by Russian organizations.

## 2 LITERATURE REVIEW

This chapter is dedicated to review the previous literature and provides a theoretical foundation for the Russian organizational value research. In order to get broadening understanding of organizational values, I divided literature review on three sections: the organization and values, espoused organizational values and the Russian perspective. The literature review begins with discussion on organizational culture, organizational values and value framework. In the second section (2.2) I concentrate on exploring espoused organizational values, which are the focus of the study. Further I shall shed some light on the Kabanoff's value structure of organizational value espousal and executives' public value espousal. Finally, the Russian perspective will be presented toward getting an overall understanding of the Russian culture, economy, organizations and values. Overall, the chapter aims at giving an overview of recent research and comprehension of current issues and affective factors of the past.

### 2.1 Value context

“Values are sources of strength, because they give people the power to take action. The highest achievements of people and organizations arise when they feel inspired to accomplish something that fits their highest values” (Jeff, Scott & Tobe 1993).

Values are fundamental elements in the most definitions of the organizational culture (Chatman 1991). They are fundamental characteristic that both employees and organization share (Finegran 2000). Values are tricky and abstract components of organizational life associated with the concept of corporate culture (Stevenson 1995). Furthermore values are described to be stabile beliefs and thoughts that are personally or socially preferable to converse beliefs (Bourne and Jenkins 2013).

Referring to Kwantes, Arbour and Boglarsky (2007) values at both organizational and individual levels could be for instance quality, respect for individuals, teamwork and autonomy. They can be also considered of being part of organizational identity and one layer of organizational culture. Furthermore organizations do not acquire values - those are key individual managers that possess them. Personal values and attitudes of those individuals may influence and direct goals, process and systems of the organization as a whole.

Scwartz and Bilsky (1987) identify values as concepts about desirable end states or behaviors that transcend specific situations, and are ordered by relative importance. These beliefs and thoughts tend to guide selection and evaluation of behavior and events. As stated by Scwartz and Bilsky (1987), the basis for all the values are characterized as 'universal human requirements' that are:

- the need for biological survival,
- the demand for social interaction and
- social and institutional demands for group welfare.

According to Stevenson (1995) beliefs and values give our lives meaning, purpose and direction. Additionally they have an impact on a person's awareness of situations and problems, and influence preferences, aspirations, choices and selection. Values are culturally imposed and long-lasting, but still subject to change. (Cording 2004.)

Karp and Abramms (1992) presented in their study an interesting way to think of a value as a lighthouse.

“A lighthouse maintains a central and clear position of visibility. It does not call all the boats into the harbor to anchor there; its function is to direct shipping safely. In other words a lighthouse's primary function is to direct shipping away from itself and toward the intended destinations. The message is, as you go where you are going, keep me in view, or you risk becoming lost.”

Referring to Karp and Abramms (1992) values identify us as individuals and therefore can be defined by three features: values are *revered*, *freely chosen* and *must be expressed*:

- *Values are revered* when they define a purpose in life for person and correspondingly drive mission statements, strategic plans, and effective, result-oriented behavior in organizations.
- *Values are to be freely chosen* means that they cannot be externally imposed, if they are to serve their vital function.
- *Values have to be expressed* means that there should be a correspondence between personal and organizational values. A conflict between those values might cause a severe damage and does not support their first meaning.

According to Stevenson's study (1995) values have three components which are the cognitive, the emotional and the evaluative. It is stated that, the possession of a value elucidates that the individual thinks about what is desirable, has an emotional connection to what is desirable, and defines desirability from among a group of possible actions and goals.

The framework of values can be divided into two separate but interrelated values, personal and organizational values. Referring to Akaah (1995) personal and organizational values highly influence on company decision making. Furthermore according to the study of Chatman (1991) personal confidence and achievement orientation are positively associated with alignment between individual values and organizational values.

On personal level, values are social assumptions, ambitions and standards that members of a culture believe have intrinsic worth. Personal values serve as guiding principles in individuals' lives. (Petrill Thomas 2013.) Values are the deepest and most powerful motivators of personal action. Personal values are not "shoulds", telling us what we can or cannot do. They are energizers, motivators and inspirations. (Jeff, Scott & Tobe 1993.)

Referring to Bourne and Jenkins (2013) personal values are located at the level of individuals who 'have' or possess their own values. Opposite to that group and organizational values possess specific characteristics that make the level of analysis difficult to insulate.

## 2.2 Organizational values

Organization's cultural identity is created by interaction of three levels that are basic underlying assumptions or beliefs, values and artifacts (Stevenson 1995). Organizational culture can be also characterized as ideologies endorsed by the organization and be represented by observable behavioral norms associated to the work environment. Additionally the social form of organizations is maintained by organizational culture, which is quite stable and somewhat resistant to change. (Kwantes, Arbour & Boglarsky 2007.) Referring to Michailova and Minbaeva (2012) organizational values are essential component of organizational culture. Top managers articulate, nurture and utilize values to shape certain types of individual behavior and to achieve desired organizational goals, such as intra-organizational knowledge sharing.

Organizational values are beliefs held by an individual or a group regarding the means and the ends that management must identify in the running of a company, in establishing objectives or in choosing the most preferable business activities from wide range of alternatives. (Michailova & Minbaeva 2012; Aggarwal Khandelwal & Mohendra 2010.) According to Kwantes, Arbour and Boglarsky (2007) organizational values can be described as taken-for-granted assumptions and ideologies at its core. Additionally organizational values can be considered of being ideas about standards of actions that organizational members should exhibit in the endeavor to achieve organizational objectives within organizational community (Petrill Thomas 2013).

Bourne and Jenkins (2013) identify that organizational values have a central place in organizational phenomena such as identity, culture, person-

organization fit and socialization. They also shape the ethical stance of an organization, employee commitment and relationships with external constituents. Organizational values influence critical processes and characteristics of organizations including exegesis of strategic issues, strategic choice and strategic change and managerial decision-making. Strong organizational values are both intensely held and widely shared. (Chatman 1991.) Furthermore Bourne and Jenkins (2013) identify organizational values to be closely connected to other organizational phenomena, specifically culture and institutionalism. On the other hand organizational values exemplify those general values that direct organizational members in their selection or evaluation of behavior.

Stevenson (1995) has stated in her dissertation that the foundation for organizational values are basic assumptions such as preconscious, invisible and revolve around relationships to the environment, assumptions of the nature of reality, and the essence of human relationships. These assumptions are usually defined by founders, senior executives and strategic planners of the organization. Organizational values offer the basis for organizational directions, decisions and actions.

According to Bourne & Jenkins (2013) there are four different forms of organizational values – *espoused*, *attributed*, *shared* and *aspirational*. Each form is shortly described below emphasizing its characteristic and representation as organizational value.

- Referring to Kabanoff (2002) *espoused organizational values* are values that are shared by all or a large proportion of an organization's members, or values as a proxy for organizational practices. This study will concentrate on evaluation of the espoused values of Russian organizations. Espoused organizational values also reflect what senior managers actually believe their organizations to be like, or what they would like or prefer their organizations to be like, or what they would like significant stakeholders to believe the organization is like.

- As stated by Bourne & Jenkins (2013) *attributed organizational values* are those values that members, generally, regard as representative of the organization. This form of values is based in repeated patterns and so has had historical influence on actions and decisions. Particularly attributed values represent the history of the organization, but do not generally hold objectives or intentions for the future.
- *Shared values* are aggregated values of organizational members. People commonly share own customs, norms and practices. These characteristics of societies, organizations and groups are manifested in their members' personal values. (Bourne & Jenkins 2013.)
- *Aspirational values* usually contain a thought of what the company should adapt if it is thrive in a longer term. The locus of these values is at the level of the members. Aspirational values may emerge from anywhere in an organization and therefore are not necessarily endorsed by top managers. (Bourne & Jenkins 2013.)

These distinct forms of organizational values will be used in the representation of Bourne and Jenkins' framework of organizational values which is characterized in the figure below (Figure 1.). The figure illustrates the framework of organizational values created by Bourne & Jenkins (2013). This structure encapsulates two dimensions regarding the essence of organizational values:

- the value orientation as a pattern embedded in an organization's history and future intentions and
- the value level with it's personal social constructs (Bourne & Jenkins, 2013).

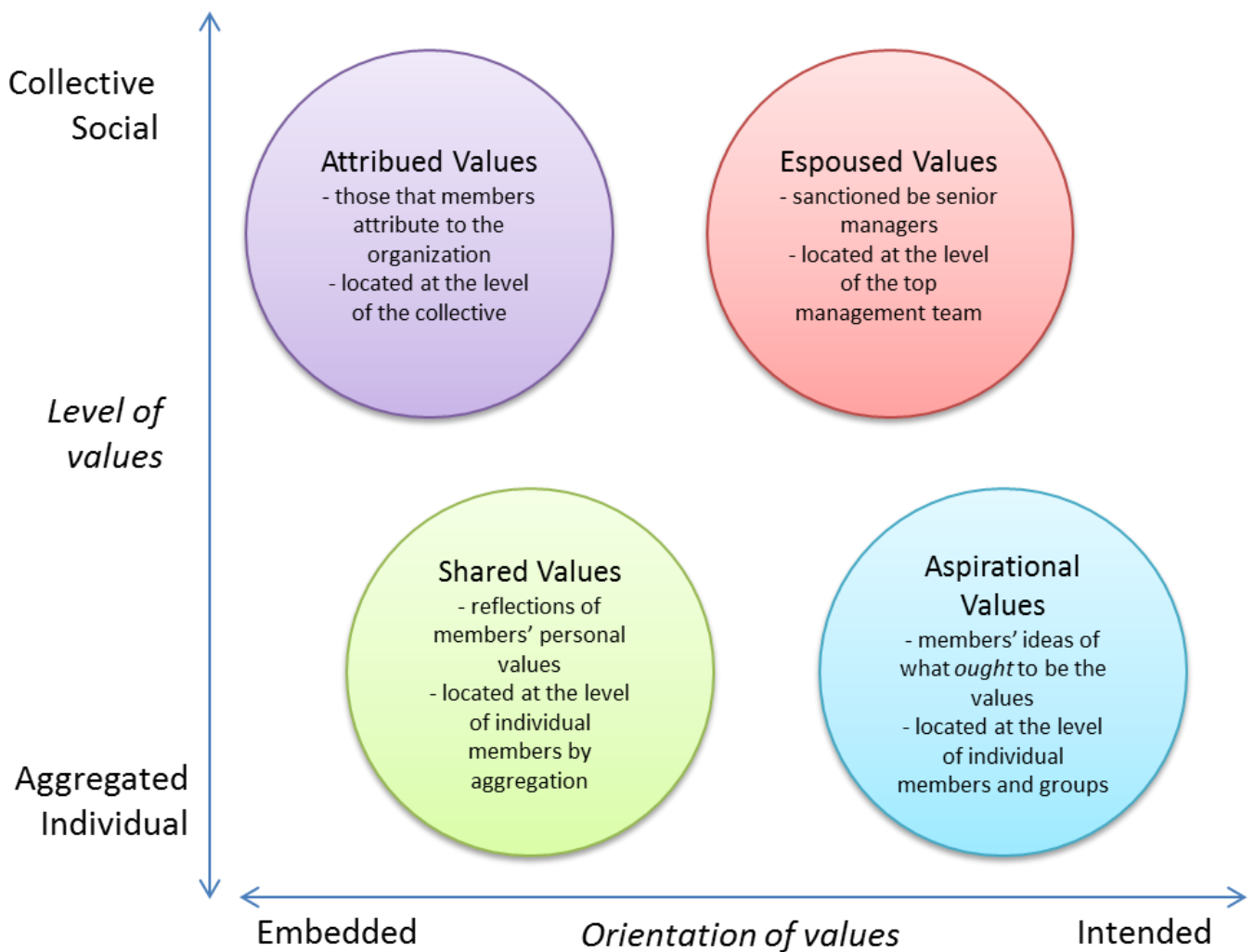


Figure 1. Forms of organizational values (Bourne & Jenkins 2013, p. 39).

Bourne and Jenkins (2013) demonstrate one dimension of values to be *embedded* or *intended*. *Embedded values* are expressed in the structures and systems of organizations or shared to the extent that members are able to anticipate other members' actions, behavior and expectations. *Intended values* are formally espoused by top executives or are supported by an indicative part of an organization's membership, but are still not yet a manifest in the structures and systems of organizations.

Other dimension of Bourne and Jenkins (2013) model illustrates values on a scale of being *aggregated* or *collective*. Aggregations of personal values that reveal shared cognitive structures formulate organizational values. *Collective*



view in the figure supports the idea that values are supported and accepted as appropriate by the organization.

According to Bourne and Jenkins (2013) four forms of organizational values *attributed*, *espoused*, *shared* and *aspirational* are distinctive from each other, though the perception of their differences is not always crystal clear.

- *Attributed values* are collectively acknowledged upon social framework. They are not necessarily shared by a team, but are still established and accepted.
- Because of collective responsibility, *espoused values* are accepted as appropriate by the whole organization even some individual top managers may personally disagree on them. Additionally they are collective social frameworks containing power and influence.
- *Shared values* are based on members' personal values and they are usually not to be stated explicitly, but are located at the level of individual members by aggregation.
- Desirable organizational beliefs of some individuals and groups formulate *aspirational values*, which are shared personal cognitive frameworks (Bourne & Jenkins 2003).

The framework of organizational values which was described above was constructed to represent organizational values approximately and usefully aligning on two dimensions. As stated by Bourne and Jenkins (2003): "The four forms of organizational values are aligned in the framework according to the extent to which they reflect an orientation embedded in past patterns or an orientation towards an intended future, and the extent to which they are at the level of collectively accepted social structures or the shared personal cognitive structures of organizational members".

Bourne and Jenkins (2003) introduced a functional and explanatory organizational value perspective of four archetypal configurations and propositions. This perspective is not a fully formed theory of values, but a beginning for more empirically precise perspective. Additionally this perspective explicitly recognizes the potential disparity and dynamism of value forms in organizations.

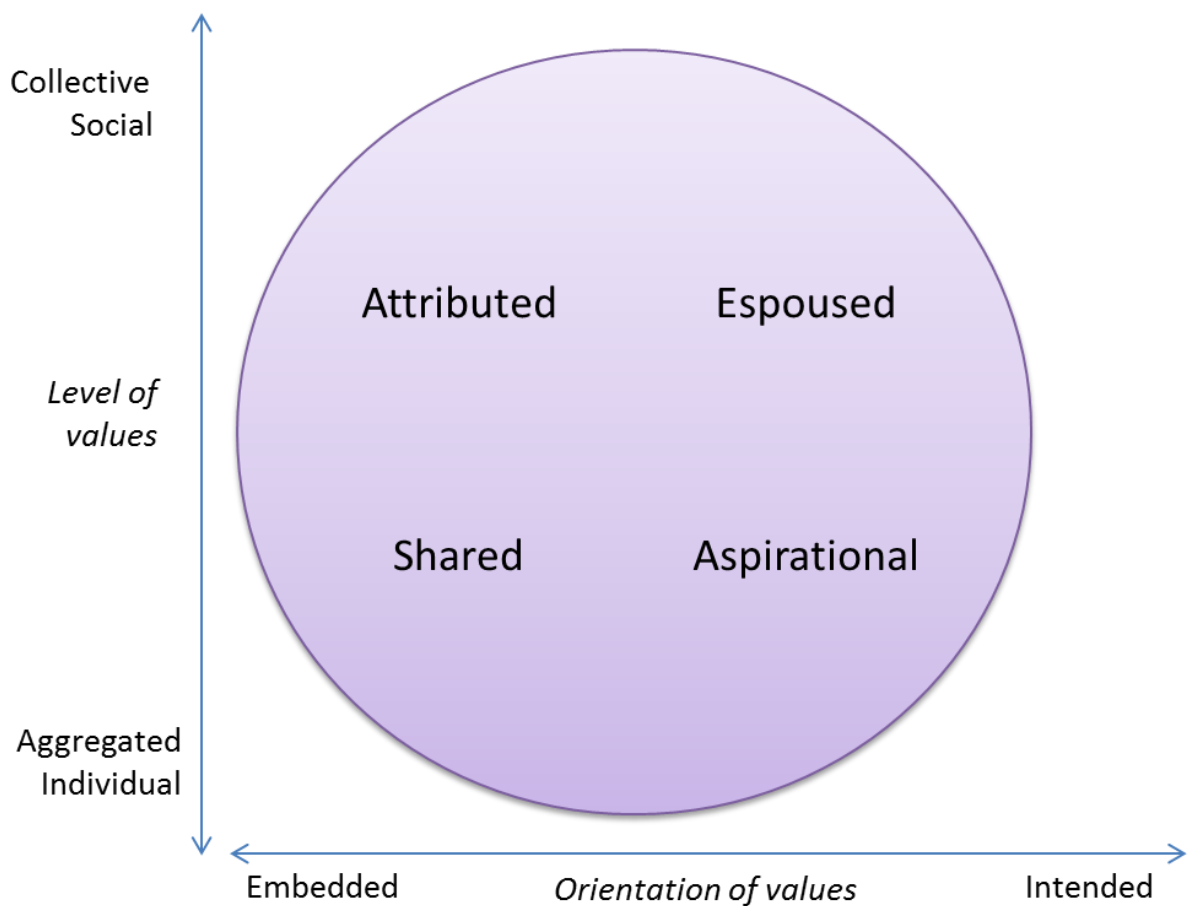


Figure 2. Organizational values overlapping (Bourne & Jenkins 2013, p. 40).

When there is an overlap between forms of organizational values top management's espoused values and members shared values corresponding (Figure 2.). This situation might be considered as desirable for organizations because it simplifies the control from management's side and there is high level of satisfaction and loyalty from the employees' side. Furthermore this settling of values creates certainty and stability. On the other hand this kind of value

structure might lead to a strong defensive attitude towards criticism and would reduce diversity with creating challenges for individuals with different value priorities. (Bourne & Jenkins 2003.)

According to Bourne and Jenkins (2013) the expectation, dislocation and leadership gaps cause tensions in organizations. These tensions can be reduced using multiple ways, for instance:

- Member's adaptation to collective-level values.
- Shifts in an organization's espoused and attributed value so they better reflect those of its dominant institutions or its broadening multiculturalism.
- Top management's pursuit toward making espoused organizational values closer to the values of the core of the organizational membership or to create an organization-wide value shift.

The perspective described above helps to understand the nature of organizational values. It identifies shifting gaps and overlaps between various forms of values. Simultaneously the perspective provides a more contextual view on organizational values with a clarification on their characteristics. (Bourne & Jenkins 2013.)

### 2.3 Espoused organizational values

Explicitly stated or espoused organizational values are sanctioned verbally or written statements by the top management. These are considered to be the official organizational values that are formulated to espouse and sanction organization's values officially. (Bourne & Jenkins 2013.) Espoused values are considered to be articulated publically announced principles that the group claims to be trying to achieve such as "product quality" or "price leadership" (Schein 2010).

According to Bourne and Jenkins (2013) espoused organizational values have been shown to have greater influence on organizational outcomes and may be

used to shape behaviors through social control. On the other hand top managers may formally support values that they believe should be the basis for decisions and actions, but that does not automatically mean that these equate to organizational values. Additionally, in some cases, top management may espouse values because they legitimize the organization by presenting a face that appeal to certain stakeholders, such as customers, shareholders or financial institutions. As stated by Aggarwal Khandelwal and Mohendra (2010) value espousal is used to enhance organizational images so espousing socially appropriate values and corporate social responsibility is gaining significant importance nowadays.

Referring to Bourne and Jenkins (2013) research indicate that espoused values carry considerable weight in organizations, but to consider them as a valid representation of the entirety of organizational values is questionable. Good example to represent the idea might be that organization may espouse values emphasizing individual performance, while nearly all members share values that emphasize teamwork.

Espoused values are closely related to enacted values. Actually the consistency in espoused and enacted values is considered as an organizational integrity. (Cording 2004.) When on one hand espoused values are the ones that are stated by the executives, while enacted values are those that are actually transformed into employee behavior. There is a gap between espoused and enacted values which complicates the interpretation and comprehension of an organization's underlying value system. That might be caused by a disagreement between organization top management and front-line employees of which values are the "actual" values of the organization (Kwantes, Arbour & Boglarsky 2007.)

Cording's (2004) study suggests that espoused organizational values can be explored for both theoretical and methodological reasons by an appropriate quantitative technique such as content analysis. Theoretically, organizational public documents do not necessarily represent any given individual's values, but rather those asserted and supported by a top management. In her research

Cording (2004) evaluated over 100 annual reports of 43 primary business segments (24% bank holding companies, 7% business services, 7% electric, gas and water distribution, 62% other sectors such as insurance, telecommunications etc.).

Cording (2004) suggests that organizational integrity is also relevant to mention when exploring consistency between espoused and enacted organizational values. Cording (2004) stated in her research that enacted organizational values were examined through the mail survey questionnaire instrument. Additionally espoused organizational values were quantified through computer-aided content analysis. Such a data can be found in organizations' annual reports and it helps in getting a better understanding of the different roles and functions of such espoused values. (Cording 2004; Kabanoff & Daly 2002.)

In an espoused value research Daly, Kabanoff and Poudier (2004) examined organizations' two broad espousal value dimensions which are: concern for employees and concern for production. These dimensions are the seminal and most consistently identified contrasts in the extensive field of organizational behavior and also seen as a "task versus person" distinction. Additionally there is a possibility that espoused organizational values are just executives' and organizations' interesting examples of impression management and there is relatively little information about the real nature of these organizations and thus have few if any substantive if any consequences (Kabanoff & Daly 2002).

#### 2.4 Value structure to examine espoused organizational values

The value structure represents an overall pattern of relations among a set of values, including elements of both compatibility and conflict among them. In their conceptual approach Kabanoff and Daly (2002) described four different types of value structures that organizations can have: *elite*, *meritocratic*, *leadership* and *collegial*. Out of these value structure types organization

resemble usually only one as its ideal type of value structure. The chosen value structure indicates the way and values that are typical for organization to be espoused.

Kabanoff and Daly (2002) have classified these four value structures according to the organizational difference to the two core tension of any social system-allocating resources economically efficiently, to maximize productivity, while also allocating them correspondingly to preserve social cohesion among the group members.

Figure 3. illustrates a two dimensional typological model in which both *structure* and *process* dimensions have effectiveness or relative lack of balance at one end and equality at the other end. Kabanoff and Daly (2002) stated, “The more unequal or centralized the power is in organization, the more efficiency values (or an efficiency ethic) predominate, and the more resources and rewards will tend to be unequally allocated. In organizations with decentralized, democratic power structures, an equalitarian orientation and more equal allocations will tend to occur. Although organizations’ power structures underlie their orientation toward distributive equality or efficiency, organizational processes can either reinforce or counterbalance this orientation. Thus, an organization with an equalitarian orientation might reinforce this structural tendency through processes such as a pay policy that compresses salary differentials, or counterbalance the equalitarian orientation through processes that increase differentiation, such as a policy of linking pay to performance appraisal. In effect, organizations can ignore the distributive tensions inherent in their equal or unequal structures and use their processes to reinforce this dominant orientation, or they can recognize these inherent tensions and seek to balance them”.

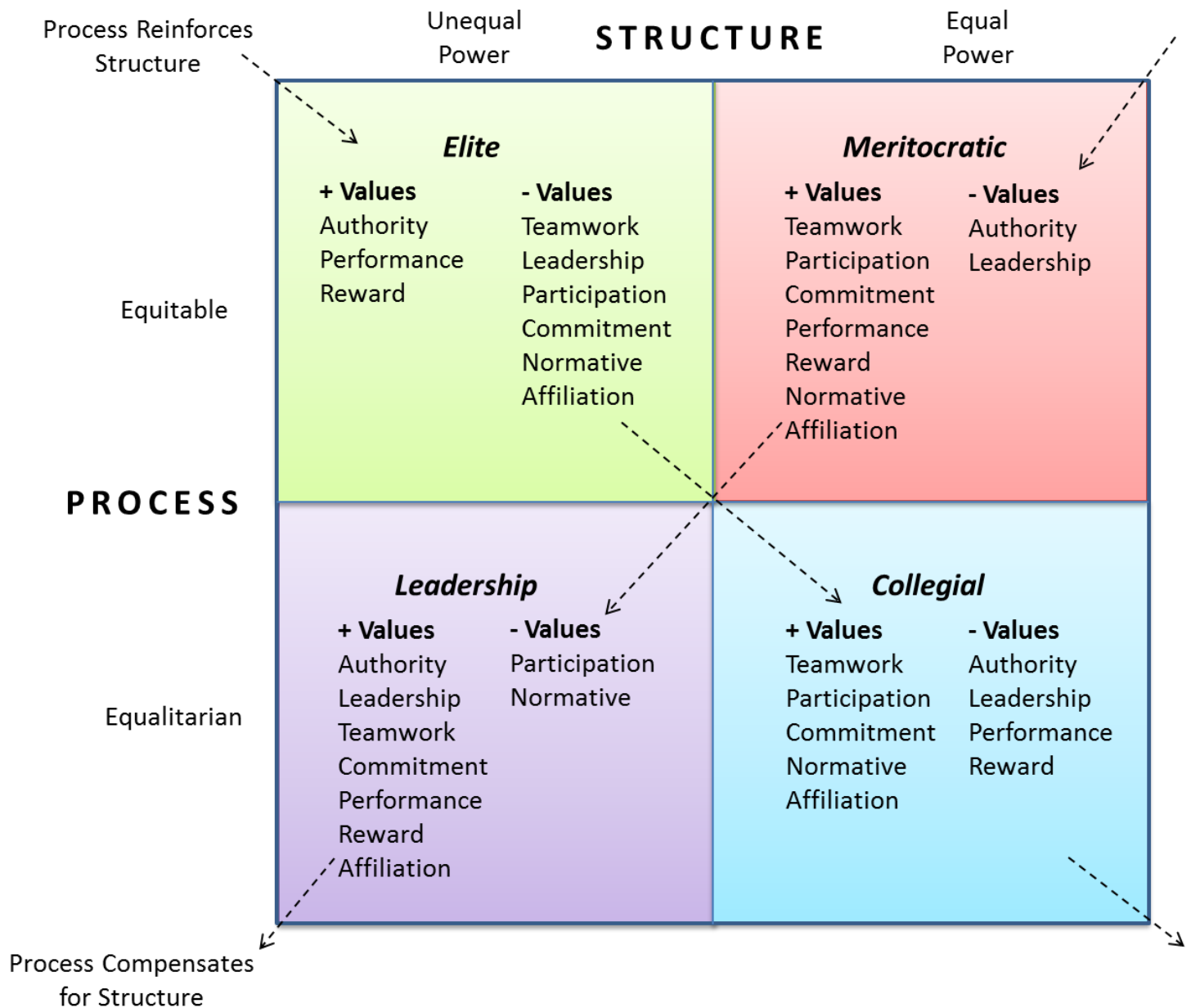


Figure 3. A typology describing four organizational types and their associated value structures (Kabanoff & Daly 2002, p. 91).

Note: + indicates that a value is strongly espoused by organizations with this type of value structure; and  
- indicates that a value is weakly or infrequently espoused.

Kabanoff and Daly (2002) have described four distinctive value structures in following way (Figure 3.):

- *Elite value structure* stands for a 'pure' unequal form in which unequal power values are combined with other inequality oriented values. This value structure prioritizes unequal power relations that are authority, performance and reward, and play less emphasis on equalitarian power issues that are for e.g. participation and normative, in addition to cohesion values that are in this case affiliation, teamwork, commitment and leadership.
- *Leadership value structure* in mixed, compensative pattern that preserves the elite type's unequal power orientation, but overlaps on it a set of cohesion values that are nevertheless persistent with unequal power relations, namely, leadership, teamwork, commitment, and affiliation.
- *Meritocratic value structure* superimposes a set of efficiency-oriented values on a 'pure', equalitarian type, which is combined out of efficiency and equality concerns.
- *Collegial value structure* is considered to be an equalitarian type that prioritizes equal power relations that are teamwork, participation, commitment, normative and affiliation.

As studied by Kabanoff and Daly (2002) in their content analysis for years 1986-1990, change of espoused organizational values was rather insignificant and slow. There was only one value that changed substantially over the time – increase of references to commitment. Relying on that fact, it is possible to state that organizational values have a degree of stability and they represent relatively enduring beliefs.

According to Daly, Poudier and Kabanoff (2004) values themselves are abstract and unobservable. On the other hand organizational documents, which include values, are artifacts, which have observable textual content that can provide indications of organization's espoused values.

Referring to Schmitt (2012) majority of contemporary organizations have their own web pages on which they exemplify their products and services, history, strategy, partners, recruitment information and so on. Many companies



additionally state their organizational culture and values on their web pages. For instance when searching or applying for a new job applicants may evaluate their own and organizational value fit via web pages. The disadvantage of the organizational web information is its' broad and untailed information. On the other hand the values that are stated online are explicitly stated by organization and therefore should be supported at least by executives.

As mentioned earlier espoused organizational values are expressed on behalf of the company or attributed to a company by its top managers. Those expressions are made in public statements such as firms' annual reports. Simultaneously espoused organizational values could be measured by the content analysis of documents sanctioned by executives. (Bourne & Jenkins 2013; Aggarwal Khandelwal & Mohendra 2010.) Annual reports are public documents that are likely consistent across companies and are produced by organizations on regular intervals. When capturing espoused values from public organizational documents, there are some puzzling questions to consider:

- the involvement of executives in deciding on the content of such documents and
- the extent of expressing content in such documents and its association with certain organizational outcomes, behaviors, and enacted values.

(Daly, Poudier & Kabanoff 2004.)

Referring to Kabanoff and Daly (2002) content analysis can be used to review differences between organizations in the kinds of values that they explicit in organizational documents. The focal point of content analysis is on values espoused by organizations rather than by individuals. With this procedure distinctness in organizations' values can be used to classify organizations to correspond their value profile. The purpose of content analysis is to count the frequency with which organizations attribute to particular ends and means in their documents and by that to study the values that organizations are most and least concerned with.

As stated in Kabanoff's and Daly's (2002) research on a content analysis over the years 1986-1990, change of espoused organizational values was rather insignificant and slow. There was only one value that changed substantially over the time – increase of references to commitment. Relying on that fact, it is possible to state that organizational values have a degree of stability and they represent relatively enduring beliefs.

Cording's (2004) study evaluates annual reports which are a good source to assess espoused organizational values which are identified there precisely. In annual reports organizations leave traces of their distinctive value patterns, so these patterns can be measured and analyzed.

In her research Cording (2004) processed over 100 annual reports to identify words and phrases to capture the organizational values. These words and phrases were reflected in a detailed dictionary that was made by using Barlett's Roget's Thesaurus and assistance and validation of Cording's fellow doctoral candidate. To identify the value structure Cording (2004) used the exploratory factor analysis. Finally there were identified eight groups and 16 subgroups of *espoused organizational values* which were:

- Moral principles: openness, fairness, accountability, other virtues
- Employee concern: employees' contribution, workplace health and safety, compensation, training and development, empowerment
- Community concern
- Environmental concern
- Financial/stockholder concern: financial performance, stockholder value concern
- Customer/product concern: customer value/product quality, marketing orientation, product orientation, customer orientation, sales/service employees
- Teamwork
- Innovation.

The fascinating assumption in Cording's (2004) research is that employees may not perceive espoused values mentioned above as the 'real' organizational values. That might be a concrete result of a gap between espoused and enacted values, which might lead to a question whether the organizational integrity is also objectionable.

## 2.5 Russian characteristics and values

There can be found some arguments in Tolz's study (1998) that indicates the influence of the multi-ethnic composition of the USSR on the national consciousness of Russians. It might have prevented the Russians from developing into a modern nation or it managed to create Russia as a new type of community, which differs from European-type nations.

The Russian vision and horizon are both affected by Russian strife and evolution, Czarist and Soviet rule, the incalculable vastness of the Russian land and the unvarying harshness of its climate. Lewis (2006) characterizes Russian horizon in following stereotypical statements which facilitate to understand the way the Russians see the rest of the world:

- Historical factors: authority flows down, European and Asian roots, state controls economy, no aristocracies, multi-ethnic, centralized authority, love technology, great powers.
- Personality factors: collectivism, consensus, cautious, pessimists, hospitable, frontier spirit, blunt in speech, grandiose thinking, messianic, expansionists.
- Morality factors: wrong to get ahead at expense of others, emotion is virtue.

Referring to Lewis (2006) management roots of Russian employees are from the Soviet age, which leads to the lack of motivating the employees and emphasizing use of threats and coercion to produce the results demanded by a socialist 'planning'. The development of Russian management characteristics is

mainly dependent on modes of using names and titles and on the process of formal and informal mechanisms which do not resemble subordinates of coercion and control.

Geert Hofstede (The Hofstede Centre 2014) invented a 6-D Model which shows the deep drivers of Russian culture (Figure 4.):

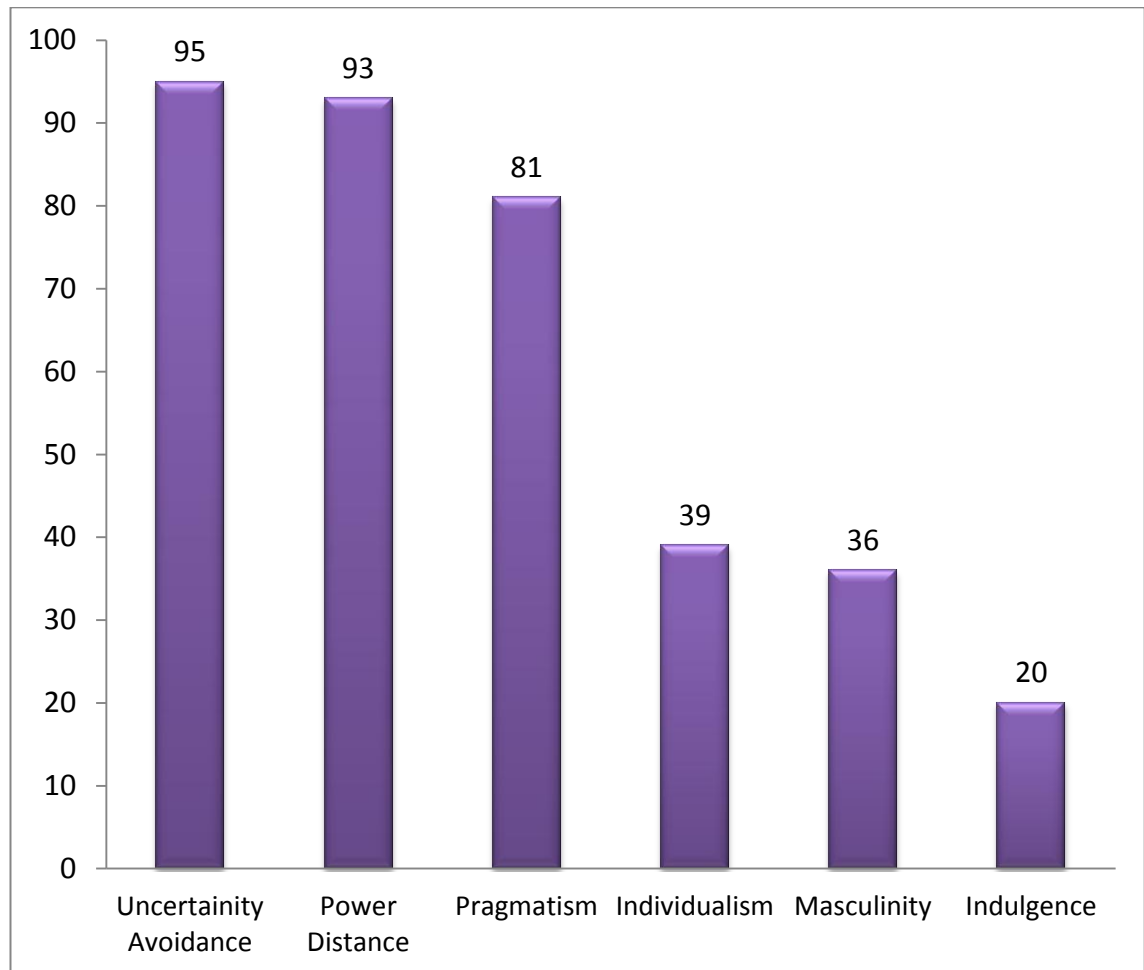


Figure 4. Drivers of Russian culture (The Hofstede Centre 2014).

Referring to the Figure 4. Russia has highest cultural driver in *uncertainty avoidance*. In cultural perspective this can be seen as Russians' fear for being threatened by ambiguous situations the effect on which causes bureaucracy. Another aspect of uncertainty is Russian suspicion for foreigners, because unknown raises senses of vulnerability. The next highest cultural driver is *power distance*, which can be seen by the fact that the largest country in the world is

extremely centralized: 2/3 of all foreign investments go into Moscow. 80% of all financial potential is also centralized there. Power distance leads to a great importance of status symbols, top-to-down approach and provide clear mandates for any task. High Pragmatism stands for high pragmatic mindset of Russian nation, where people believe that truth depends greatly on the situation, contest and time. Russians are more considered as a collectivistic society therefore *individualism* is not the highest in Hofstede's scale. Personal, trustful and authentic relationships with family, friends and neighborhood play major roles in Russians' lives and are key factors in a value development. A medium score in *masculinity* indicates moderate importance of competition, achievement and success, and is related to the high power distance. The last but not the least indicator of indulgence reveals the restrained nature of Russian culture, which can be seen as a cynicism and pessimistic feature in the Russians' character. According to Hofstede the scale of cultural drivers gives some hints of how Russian society is programmed, but it is important to note that there are many differences between individuals (The Hofstede Centre 2014, CultureActive 2014.)

As claimed by Schwartz and Bilsky (1987) values can be compared with universal motivational domains to identify aspects of own cultural values that are universal or unique. Lewis' value model (CultureActive 2014; Figure 5) indicates clearly Russian values and core beliefs, which are for instance collectivism, egalitarianism and friendship. Moreover Russians value personal views, which they consider to be more truthful than official information, views and statements. Russian expectations toward others are rhetoric, sentimental and complex, additionally they dislike greed but appreciate hospitality (Lewis, 1999). Additionally Russian core values of their roots include group loyalty and protection of others, as well as avoidance of standing out and negative attitudes toward individual success (Alexashin & Blenkinsopp 2005.)

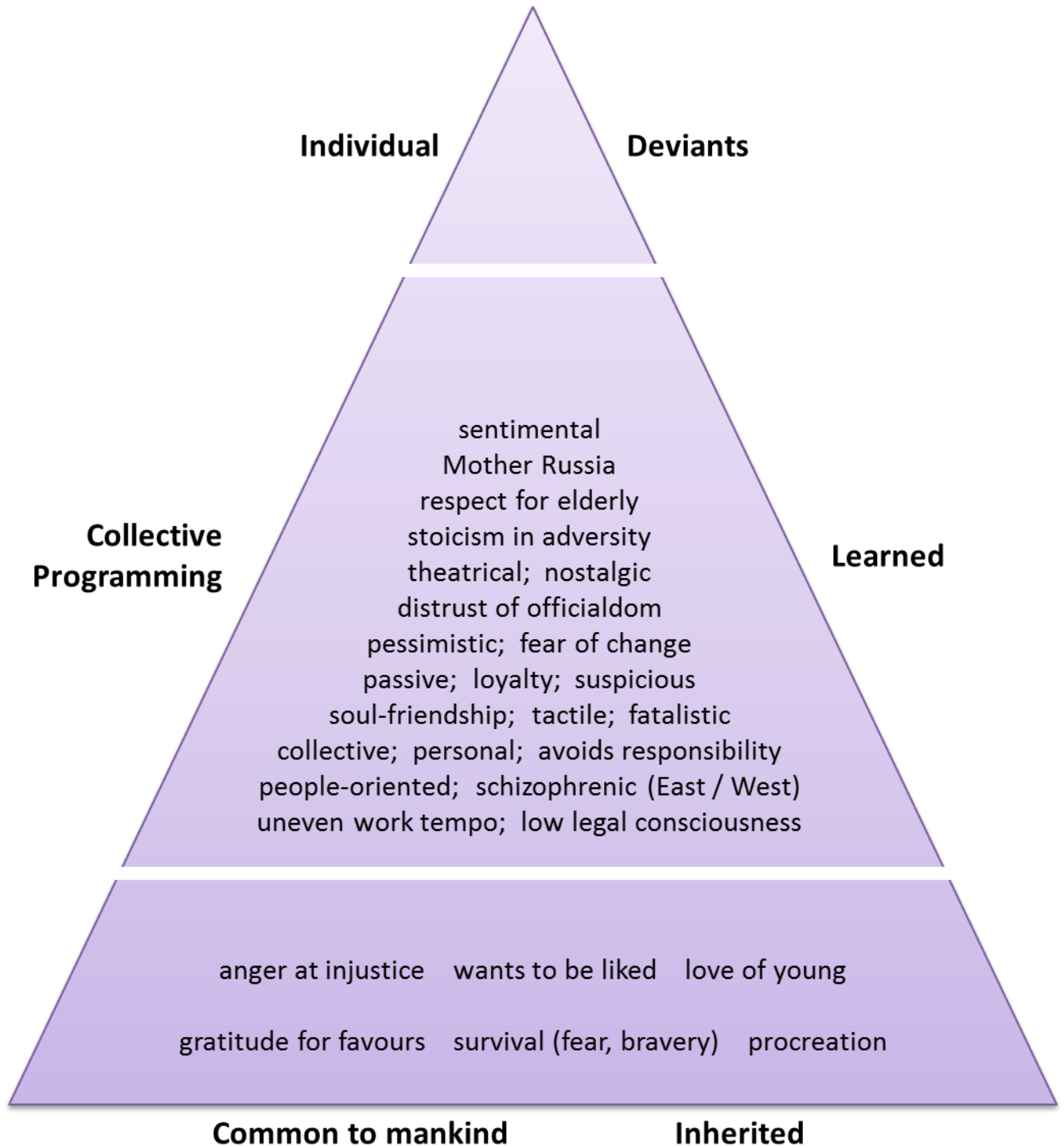


Figure 5. Russian values and core beliefs (CultureActive 2014).

Another similar perspective brings five Russian core cultural beliefs and values, which are:

- *Friendship* (дружба, pronounced as druzhba): stands for developing personal relationships

- *Soulfulness* (душа, pronounced as ducha): emotional and spiritual perspective instead of shallowness and materialism.
- *Creative problem solving*: Russian people avoid following standardized procedures, bureaucracy, rules and regulations, and tend to solve things “their way” via personal connections.
- *Fatalism*: the uncertainty of future events tolerates individuals to believe that they have very little control over their life matters. This creates high tolerance for uncertainty and flexibility to adapt to the given circumstances, for instance continue doing old traditional thing in a new environment.
- *Perseverance*: Russian culture appreciates and values high stamina, persistence and ability to endure (JAMK Centre for Competitiveness 2012, CultureActive 2014.)

## 2.6 Russian organizational culture and values

Russia has its history and cultural characteristics as being heterogeneous and largely European. Since perestroika and privatization eras business culture in Russia has relied on informal cultural-cognitive institutional environment made of personal networks. Russian business culture relies on trust and credibility. The consequences of that are that there is a lack of transparency in business dealings in the cause of the mistrust of outsider. (Puffer et al. 2011.) Therefore time and personal acquaintance effect on building particularized trust among Russian partners. Russian business people value high moral guidelines. Those can be described more precisely as honesty, decency, trustworthiness and responsibility. Nevertheless those values are not significantly noticeable in Russian business operations. (Kuznetsov & Kuznetsova 2005.)

Referring to Denison & Fey (2003) organizational cultures are embedded in and shaped by national cultures. In Russian business ethics giving bribes and overlooking senseless rules are more acceptable than large salary differences, laying off personnel and blowing the whistle on fellow workers. Russian

managers value power, security and stability. Furthermore Russian behavior is stereotyped to be group orientation, monitoring results than setting goals, resourcefulness, patience under adversity, deprivation and spurts of energy, cautiousness and ambiguity with a preference for looking back instead of forward. (Denison & Fey 2003.) Moreover in Russian management study Hofstede's (1993) culture dimensions such as power distance and uncertainty get accentuated, while individualism is lacking somewhere in the middle, and long term orientation and masculinity are left to a less attention.

Already in 1999 a study of Fey, Nordahl and Zätterström (1999) showed that Russian organizational culture can be divided on two groups based on age differences: *under 30 years old* and *over 40 years old* employees.

- *The under 30 years old employees* don't have an experience of the old system such as Soviet Union way of working and are not afraid of censorship. They are energetic, excited of the future, and eager to learn and survive in a constantly changing market economy. The younger generation is excited by profit sharing, growth opportunities, and the chance to interact in global network.
  - *The over 40 years old employees* have experience prior to perestroika, from the Soviet era. They are used to routine and stability, and do not possess the skills that are needed in nowadays business environment.
- The older generation

Both groups have different expectations, views and concepts of the disposition of the organization and the framework in which it operates. Younger working power possesses more modern values while the older generation has more traditional Russian values. These factors have a major effect on creating a one-organization spirit. As claimed by Fey, Nordahl and Zätterström (1999) the support by top management has primary role in successful spirit-creation by repeatedly stressing out that all the employees are important to the organization.



Russian organizations are curious in the advanced technologies, marketing experience and modern managerial skills. They want to hedge themselves against any potential political risks and to avoid underdevelopment of Russian financial sector. (Filippov 2010.) Referring to Filippov (2010) Russian organizations expand their activities overseas driven by *resource-seeking*, *market-seeking* and *efficiency-seeking* motives. In addition Russian organizations are getting more active in acquisition of foreign assets such as greenfield projects, establishment of strategic alliances and making merger and acquisition deals, which all are key modes of internationalization. (Filippov 2010.)

Russian managerial values are also developing and internationalizing. It is crucial for future working relationships between Russia and Western countries, because significant differences in cultural and managerial values might cause some implications. As assumed by Alexashin and Blenkinsopp (2005) Russian managerial values might be mostly internationalized and influenced by US managerial values, since the dominance of economic terms and in management thought and education by USA. An example of a Russian managerial value might be a possible trend towards convergence. (Alexashin & Blenkinsopp 2005.)

Espoused organizational values are usually congruent with their cultural milieu and are used to improve organizations' reputations and images which are their external legitimacy. Moreover organizational values are highly prominent when comparing values across countries. (Kabanoff and Daly 2002.)

As stated in a research of Higher School of Economics in Russia (opec.ru 2014) one step toward transformation of Russian organizations into more contemporary could be the formulation of organizational values, which is rarely present in nowadays Russian companies. To become a modern organization it has to possess some contemporary key values which are independency, autonomy, tolerance and self-expression. One result of the research was a statement that values possessed by Russian business men were harmony, achievement, independence, comfort and professionalism, out of which only

achievement and independency are contemporary values. Moreover values such as comfort and harmony might have negative effect on contemporary values. The research asserts that less than half of the business men possess potential for the contemporary values. Additional fascinating statement is that there is present value conflict, which is caused by contradiction between modern point of view toward ethical norms and fairness, and traditional “old” way of doing business in Russia. Finally, in line with the research, management on values is getting more popular in Russia since many Russian organizations reach toward European standards. Growing international cooperation and sharing values have a positive impact on development of contemporary values. Referring to Kabalina and Cheglakova (2013) those organizations that have conducted values of organizational culture and stakeholders into their operations can be truly successful in the long run.

In their recent research Kabalina and Cheglakova (2013) analyzed organizational values of three Russian companies, which have publicly stated their values and have created a process of contemporary value implementation into organizational strategy and human resource management. Additionally top management of selected companies was listed in “Top-1000 best managers of Russia”. Selected companies have various historical backgrounds and come from three different sectors which are industrial, construction and multi-profile sector offering financial services for organizations and individuals. One important issue to mention is that the study was written in Russian language, which gives it more genuine approach.

The Kabalina’s and Cheglakova’s (2013) study was conducted by analyzing espoused values of *public documentation* and *interviews* with management from various organizational levels of three companies. Multiple case study results have shown that there are four sides of organizational values: individuality, organization, stakeholders and society/community. Additionally following values were listed as organizational values:

- Professionalism and productivity
- Energy and leadership

- Fairness and openness
- Social responsibility and safety standards
- Self-awareness
- Evolution and enhancement
- Team work
- Russian spiritual values.

As claimed by Kabalina and Cheglakova (2013) all of these companies adopted value bas as a part of comprehensive organizational management and organizational social responsibility. Research shows that in case of larger companies with a long history the organizational values were attributed by executives and implemented from top management to bottom level employees. On the other hand, in younger and smaller companies organizational values were attributed in cooperation of both top and bottom level employees.

To become real and crystal clear part of company organizational values require changes in attitudes, motivation and perspectives of life. The top management and owners have to be completely involved in attribution and implementation of organizational values. The values have to be stated clearly, giving an explanation for a better quality in employers' life and organizational business growth opportunities. As a final statement Kabalina and Cheglakova (2013) claimed that the future will show, shall the organizational management on values become a rare trend of modern leadership or will it expand largely in Russian organizations.

### 3 METHODS AND DATA

The objective of this chapter is to bring some light on the implementation process of the study. In the previous chapter I focused on reviewing the research literature, which formulates a framework for my study. The approaches of researchers that I introduced in previous chapter (Cording 2004, Kabanoff & Daly 2002, Kabalina & Cheglakova 2013 etc.) helped me to create my approach for this study.

The indicated research is implemented through assessment of web pages and annual reports of carefully selected Russian organizations. The selection of organizations is based on chosen criteria which were employed on extended company listings. In process of evaluating companies' information I used Kabalina's and Cheglakova's (2013) way of examining the data. I will explain more thoroughly this issue in section 3.2. As a background to mention the knowledge of Russian language allowed me to do more extended comparisons for this research (for e.g. correlation between organizational values in English and Russian languages).

#### 3.1 Data selection method and sources

The focus of this section is to describe why and how the selection of Russian organizations for my further research was made. From my point of view tables are an informative way to feature organizational characteristics in more visual perspective. Therefore I exemplify various companies' information with tables.

Already in the beginning of data selection I assumed that Russian well-known company sector will be quite narrow and mostly concentrate on natural resources and telecommunications. My refined web-investigation authenticated

that Russian large organization are mainly working in sectors such as oil, gas, software and network industries.

I wanted to add some diversity to my study therefore I selected organizations from versatile online company rankings. The source of selected companies consists of following online organizational rankings:

- Financial Times company listing, FT-static European 500 companies by market values and prices
- Fastcompany's listings on most innovative companies in Russia
- 4-Traders news on Russia's Top 50 Fast-Growing High-Tech Companies
- Seeking Alpha's Top 10 Russian companies by sales and
- Russia's fast-growing high-tech companies national rating on TechUp.

To begin with I took from the online rankings *29 Russian companies* according to its rank: Aeroflot, Alrosa, Bashneft, Federal Grid Company, Gazprom, Human Stem Cells Institute, Interskol, ITGroup co, Kaspersky Lab, Lukoil, Mail.ru, Mechel, MegaFon, NIPKElectron, Novatek, Novolipetsk Steel, Oktogo, Prognoz, Rosneft, Rostelecom, RusHydro, Sberbank, Severstal, Sistema, Surgutneftgas, Vkontakte, Yandex and Zeptolab. It is worth to mention that some companies were listed in almost all the rankings that I have verified. Furthermore I applied my company selection criteria to the listing of 29 companies, which resulted *15 companies* (Table 1.). In the table below are listed selected organizations and listings where following organizations were mentioned.

Name of the company in English	Name of the company in Russian	Financial Times	Fastcompany	Russian company listing (Wikipedia)	Seeking Alpha
<b>Aeroflot</b>	Аэрофлот			x	
<b>Alrosa</b>	АЛРОСА	x		x	
<b>Bashneft</b>	Башнефть	x	x		
<b>Federal Grid Company</b>	ФСК ЕЭС	x			
<b>Gazprom</b>	Газпром	x		x	x
<b>Kaspersky Lab</b>	Лаборатория Касперского			x	
<b>Lukoil</b>	ЛУКОЙЛ	x		x	x
<b>Mail.ru</b>	Mail.Ru			x	
<b>MegaFon</b>	МегаФон	x		x	
<b>Novolipetsk Steel</b>	Новолипецк Сталь	x		x	x
<b>Rosneft</b>	Роснефть	x		x	x
<b>RusHydro</b>	РусГидро	x			
<b>Sberbank</b>	Сбербанк	x		x	x
<b>Severstal</b>	Северсталь	x		x	x
<b>Surgutneftgas</b>	Сургутнефтегаз	x		x	x

Table 1. List of selected companies.

The organizations listed in Table 1, were chosen according specific selection criteria, which allowed some diversity in organizational sectors. Therefore in this study *all of the case organizations follow all three criteria* which are:

- The company has web-pages in Russian and English languages.
- The company is originally Russian and has its operations in Russia.

Additional selection criteria were following (company has to follow one or more of criteria):

- The company has some international activity.
- The company is publicly traded company.
- The company is well known in Russia or abroad.
- The company plays a major role in own sector of Russian economy.

The table (Table 2.) below demonstrates criteria that each company follows, and business sector of each company.

Name of the company	Business sector/area of expertise	Web pages	Russian origin and operations in Russia	International activity	Publicly traded company	Well-known in Russia or abroad	Major role in own sector of Russian economy
<b>Aeroflot</b>	Aerial transportation	en, ru	x	x	x	x	x
<b>Alrosa</b>	Mining, exploration, processing and sale of diamonds	en, ru	x	x			x
<b>Bashneft</b>	Extraction and processing of oil	en, ru	x			x	x
<b>Federal Grid Company</b>	Transmission of the electricity	en, ru	x				x
<b>Gazprom</b>	Exploration, production, transportation, storage and processing of gas, condensate and oil. Production and marketing of heat and electricity	en, ru	x	x	x	x	x
<b>Kaspersky Lab</b>	Information security	en, ru	x	x			x
<b>Lukoil</b>	Extraction and processing of oil	en, ru	x	x	x	x	x
<b>Mail.ru</b>	Large communicational portal of Russian internet	en, ru	x	x	x	x	x
<b>MegaFon</b>	Mobile operator in overall Russia	en, ru	x	x	x	x	x
<b>Novolipetsk Steel</b>	Metallurgy and mining	en, ru	x	x	x		x
<b>Rosneft</b>	Mining, exploration, refining, marketing and transportation of oil and gas	en, ru	x	x	x	x	x
<b>RusHydro</b>	Power generation company	en, ru	x			x	x
<b>Sberbank</b>	Universal bank offering a full range of banking services	en, ru	x		x	x	
<b>Severstal</b>	Steel and mining	en, ru	x		x		x
<b>Surgutneftgas</b>	Extraction and processing of oil and gas	en, ru	x		x		

Table 2. Company selection criteria.

The research sample of companies is from various sectors nevertheless natural resources are as assumed the leading sector. The variety to natural resource sector organizations bring companies, such as Kaspersky Lab (Information security), Sberbank (Banking services), MegaFon (Mobile operator), Mail.ru (Communicational internet portal) and Aeroflot (Aerial transportation). Referring to the obtained data most of the companies play a major role in own area of expertise in Russian economy. Moreover all companies have web-pages in Russian and English languages which indicate their international orientation.

### 3.2 The research process and data

In their research Kabanoff and Daly (2002) collected annual reports and other documents that were publicly available. Additionally they analyzed all the sections that contained some information related to organizations' goals, values philosophies and general people management issues.

As stated in previous section, there were selected 15 Russian organizations for this research. Following examples of earlier researchers, I conducted the study by exploring *organizational web-pages* and *annual reports*. The aim of the analysis was to search espoused organizational values. To begin with I collected some basic organizational information into tables for further investigation.

Name of the company	Amount of personnel	Established	Recent annual report
Aeroflot	16420	1923	2013
Alrosa	40000	1992	2013
Bashneft	25000	1946	2013
Federal Grid Company	25000	2002	2013
Gazprom	400000	1989	2013
Kaspersky Lab	3000	1997	-
Lukoil	150000	1993	2013
Mail.ru	2800	1998	2013
MegaFon	24000	1993	2013
Novolipetsk Steel	60000	1934	2013
Rosneft	170000	1993	2013
RusHydro	18244	2004	2013
Sberbank	232200	1841	2013
Severstal	61000	1955	2013
Surgutneftgas	109000	1993	2013

Table 3. Organizational information.

Table 3. outlines companies' background information such as amount of personnel, year of establishment and the most recent annual report (wider



information in Appendix 2). According to the results companies such as Sberbank, Novolipetsk Steel, Bashneft and Severstal have a really long history in Russian economy in comparison to relatively young companies which were Federal Grid Company, Alrosa, Kaspersky Lab, Lukoil, Mail.ru, MegaFon, Rosneft, RusHydro and Surgutneftgas which were established after the collapse of Soviet Union.

The recent annual reports of all the companies except Kaspersky Lab were found on companies' web pages. For annual report of Kaspersky Lab I actually contacted the company, but I never received any reply. One assumption is that since Kaspersky Lab is a privately owned company, it makes own regulations according which way it emphasizes own progression, strategic moves, merits and values. Further in terms of personnel there is a big variety in selected organizations: Gazprom as the largest with 400 000 employees and the smallest Mail.ru with 2800 employees.

Further I proceeded with exploring espoused organizational values of selected 15 companies. As stated earlier I have collected annual reports of companies' and validated the data concerning organizational values with a basic search function. Additionally I compiled all the data related to organizational values from companies' web pages and inflicted it into a table (Appendix 1). The table visualizes espoused organizational values in separate columns in English and Russian languages. I collected values in two different languages to make a comparison between them and check whether values are just translated from one language in to another or specially made for Russian and/or international stakeholders.

When evaluating espoused organizational values of my case companies, I can rely only on published facts, since those are the ones that are explored in this research. Subsequent to compiling espoused organizational values I formulated a table (Table 4, Chapter 4) which visualizes whether organizations indicate or not their espoused values in annual reports and web pages. The organizational value espousal was measured by verifying and reading thoroughly companies' web pages and annual reports. Additionally I used Search -function with PDF-

files such as annual reports. In exploration I was searching for any mention of a word “values” and in Russian “ценности” in the right context for example:

- Our corporate values are...
- We value...
- Our business success is based on values...
- ...are the key values of our company.
- Value creation...

In search of information on web pages I used companies' own Search -function and reviewed sections such as about company, strategy and corporation information. Following the data collection I made analysis with Excel-files, tables and figures to visualize the results. Additionally I made statements relaying on results and assumptions.

During the implementation process of this study I used as a source a high quality researches and publications from Aalto University database one of which is Proquest (Academic platform). The process of analyzing the data was done according the examples of earlier researches such as Cording (2004) and Kabalina and Cheglakova (2013). When evaluating the validity and reliability of the study there have to be noted following points:

- the literature review is based on the most recent and relevant research that was found
- the data was collected during specific time frame, later on the data may be modified for example web pages
- the data was evaluated according the examples of previous researches that are represented in literature review
- own assumptions are stated clearly in chapters 3-5.

## 4 RESULTS

In this chapter I will define the values of case companies that were found on their web-pages or related online sources. Additionally I will analyze the findings and compare and adjust them to the existing research that was reviewed in Chapter 2.

The main purpose of this study was to find out the espoused organizational values of 15 Russian companies: Aeroflot, Alrosa, Bashneft, Federal Grid Company, Gazprom, Kaspersky Lab, Lukoil, Mail.ru, MegaFon, Novolipetsk Steel, Rosneft, RusHydro, Sberbank, Severstal and Surgutneftgas.

At this stage I can indicate that according to available data all research questions can be answered. The primary research question of this study was:

*“Do Russian companies state their organizational values online?”*

The answer on this question is that most of the case companies indicate their organizational values online (Table 4) either in their annual reports, web pages or in both of these sources. The research results show that stating organizational values online is popular among Russian internationally active organizations. The reason for incidence of organizational values might be that many Russian organizations are undergoing or have completed a reform of corporation identity and structure, system of leadership and organizational strategy, aiming to gain more competence in international economy and achieve standards of sophisticated and modern organization (Kabalina & Cheglakova 2013).

Consequently, in order to understand the phenomenon more deeply, the sub-questions of the study were following:

*“How the values are described: directly or hidden in some part of company description”*

*“Are there any meaningful differences between the values written in English and Russian languages?”*

According to my research best source of espoused organizational values were companies' web-pages. Some companies like Aeroflot, Megafon and Sberbank indicated their values directly in a way *“Our values are...”*. On the other hand companies like Severstal, MegaFon and Federal Grid Company displayed their values in more broad way *“Leadership in value creation...”*. In conformity I can state that organizations describe their values in various ways: mostly in direct way (ten companies), minority in a hidden way (four companies) and one company doesn't indicate own values in web pages or annual report at all.

What comes to differences between indicating values in English and Russian languages, most companies have translated *directly* own values from one language into another (Surgutneftgas, Severstal, Sberbank), when again some companies took a *meaning* into account and made little changes into values when translating them into another language (Aeroflot, Rosneft). My assumption is that since espousing organizational values is considerably new phenomenon in Russian business environment the values come from American and European examples. When the management on values will become more common, Russian organizations might make their values espousal more individual for different target groups. Because language is an important factor of this research, I will continue language related evaluation and assumptions in section 4.1. Further I will also indicate some interesting findings and compare my discovering with existing research.

#### 4.1 Overall description of the results

As stated by researchers organizational values have a major effect on the whole organization. Organizational values offer the basis for organizational directions, decisions and actions and when attributed by whole organization

they can be used as an asset toward organizational success and wellbeing. (Stevenson 1995.)

Some companies (Aeroflot, Mail.ru, Novolipetsk Steel) have mentioned values in context such as “fair value” which has no relevance to espoused organizational values but is related to financial context. This was not considered as a discussion on espoused organizational values.

Name of the company	Values in English annual report	Values in Russian annual report	Values on English web pages	Values on Russian web pages
Aeroflot	no	no	yes	yes
Alrosa	yes	no	yes	yes
Bashneft	yes	yes	no	yes
Federal Grid Company	yes	no	no	yes
Gazprom	yes	no	yes	yes
Kaspersky Lab	no	no	yes	yes
Lukoil	yes	no	yes	yes
Mail.ru	no	no	no	no
MegaFon	yes	no	yes	yes
Novolipetsk Steel	no	no	no	yes
Rosneft	yes	no	yes	yes
RusHydro	no	no	yes	yes
Sberbank	yes	yes	yes	yes
Severstal	yes	no	yes	yes
Surgutneftgas	yes	no	yes	yes

Table 4. Organizational value espousal.

According to Table 4. the only company that displays espoused organizational values in both annual report and web pages in both Russian and English languages is *Sberbank*. It is a universal bank that offers all range of banking services and which has its history in Russian economy since 1841. On the other hand the only company that does not display espoused organization values in annual report nor web pages is *Mail.ru*. The company is a large communication portal of Russian internet and is 3<sup>rd</sup> by its popularity in Russia. The company was established in 1998 and surprisingly has annual report only in English

language for both international and Russian stakeholders, even though it has web page in both English and Russian languages.

## 4.2 Key findings

Further I would like to point out some key findings regarding espousing organizational values in companies' annual reports and web pages. First I will shed some light on results from annual reports and thereafter continue on analyzing results based on web pages.

Referring to results of this research, companies indicate their espoused organizational values differently depending on *the language*. This issue can be indicated for instance by exploring the results of value espousal of companies' annual reports. The findings were following:

*Generally companies do not indicate their organizational values in annual reports written in Russian language, but in contrast they often state their organizational values in annual reports written in English.*

Assumption for this fact can be that in international economy organizational values have a stronger impact and longer history than in Russian economy, where leadership on values is just becoming more recognized.

*In those occasions where companies have indicated their values in English and Russian annual reports, the values were direct translations from one language into another (e.g. Bashneft and Sberbank).*

I wonder if Bashneft and Sberbank have taken into account cultural aspects when defining own values in English? When the espoused organizational values are direct translations from one language into another can the meaning underneath stay the same?

*Only two companies Bashneft and Sberbank identified own organizational values in annual report in Russian language (in addition to the annual report in English).*

One speculation is that it is not considered as common to state organizational values in annual reports for Russian stakeholders, on the other hand for international stakeholders companies mostly do display their espoused organizational values in annual reports.

Web page is the face of the organization where organization exemplify own area of expertise, history and strategy. According to my results (Table 4) most companies indicate their espoused organizational values in both Russian and English web pages, except RusHydro, Mail.ru, Bashneft and Federal Grid Company.

*Those companies that display own espoused organizational values on web pages have stated them quite directly for example “Our company value...”. Additionally in contrast to not espousing values in Russian annual reports, Russian companies do display values in most Russian web pages - 14 companies out of 15, and in international web pages written in English language – 12 companies out of 15.*

Web pages of almost all organizations that I have studied were informational and visually rich. My assumption is that web pages are the most important source of information and a business card for Russian companies, this is why companies indicate there everything that they want to emphasize and make public. Referring to the findings I can state that most Russian companies indicate their espoused organizational values on their web pages, Russian and international. In annual reports written in English language values are often indicated as well, but in annual reports written in Russian language only two companies indicated own values.

According to the findings *area of expertise* does not affect companies' value espousal. For instance Sberbank, Severstal and MegaFon are organizations from different business sectors, nevertheless all three companies do indicate

own organizational values online. The organizational value espousal is an innovational issue for Russian corporations and is relevant for all business sectors (Kabalina & Cheglakova 2013). Moreover it is difficult to certify whether *size of the company* have any effect on espousal of organizational values, since both small and big size organizations display own values (for example Kaspersky Lab with 3000 employees and Gazprom with 400 000 employees). At the same time the smallest case company Mail.ru with 2 800 employees does not display espouse own espoused organizational values. Amount of personnel might have a little affect on organizational value espousal, but with the existing data this assumption cannot be proved. To proof the assumption it would require a larger research with surveys or interviews and deeper analysis on organization.

Name of the company	Amount of personnel	Year of establishment	Values in WEB - English	Values in annual report - English	Values in WEB - russian	Values in annual report - Russian
<b>Aeroflot</b>	16420	1923	yes	no	yes	no
<b>Alrosa</b>	40000	1992	yes	yes	yes	no
<b>Bashneft</b>	25000	1946	no	yes	yes	yes
<b>Federal Grid Company</b>	25000	2002	no	yes	yes	no
<b>Gazprom</b>	400000	1989	yes	yes	yes	no
<b>Kaspersky Lab</b>	3000	1997	yes	no	yes	no
<b>Lukoil</b>	150000	1993	yes	yes	yes	no
<b>Mail.ru</b>	2800	1998	no	no	no	no
<b>MegaFon</b>	24000	1993	yes	yes	yes	no
<b>Novolipetsk Steel</b>	60000	1934	yes	no	yes	no
<b>Rosneft</b>	170000	1993	yes	yes	yes	no
<b>RusHydro</b>	18244	2004	yes	no	yes	no
<b>Sberbank</b>	232200	1841	yes	yes	yes	yes
<b>Severstal</b>	61000	1955	yes	yes	yes	no
<b>Surgutneftgas</b>	109000	1993	yes	yes	yes	no

Table 5. Organizational information and value espousal.



Further it is also difficult to decipher whether the year of establishment of organization have any impact on organizational value espousal (Table 5). Referring to the existing data the establishment of organization and its' value espousal are random. For instance the oldest company of research Sberbank (est. 1841) indicates espoused organizational values in every source annual report and web pages in Russian and English languages, when again the second oldest company Aeroflot (est. 1923) indicates own espoused values only in web pages. The same randomness concerns as well the younger companies. The youngest company Rushydro (established in 2004) indicates espoused organizational values only on web pages, when for comparison the second youngest company Federal Grid Company (established in 2002) indicates own espoused organizational values in annual report written in English and Russian web pages.

### 4.3 Evaluating the findings

To get a better understanding of the existing literature I decided to adjust it to the practice. I determined to examine my results through reviewed literature that I thought to be most relevant to my research.

Since I studied Russian core values and beliefs stated by prior researchers (CultureActive 2014, JAMK Centre for Competitiveness 2012), I wanted to verify whether those values and beliefs are reflect in espoused organizational values. The most recognizable Russian values and beliefs are *friendship* and *soulfulness*. They are similar to following espoused values: team spirit, fellowship, goodwill and trust, and are represented by companies such as Kaspersky Lab, Gazprom and Rosneft. Furthermore *fatalism* is such a belief that case organizations didn't indicate at all, in turn they emphasized importance of improvement, creativity, independence which are non-fatalistic values. Again perseverance is a belief that is easy to identify from espoused organizational values of case companies. It is recognizable for instance from

commitment, constant improvement, working on the common result and continuity maintenance, which are corporate values of Rosneft, Sberbank and Lukoil. Creative problem solving is a common Russian way of adjudicating things. Organizations indicate this belief with values like flexibility, creativity and innovativity. Companies want to espouse positive values, therefore those Russian values and beliefs are compiled to support what the organizations stand for.

Hofstede (2014) introduced six drivers of Russian culture: Uncertainty Avoidance, Power Distance, Pragmatism, Individualism, Masculinity and Indulgence. Since I have detected values of my case organizations, I decided to explore whether those drivers have any impact on espoused organizational values of those companies (Table 6). Referring to my results *Uncertainty Avoidance* is clearly recognizable from organizational values such as customer loyalty continuous balance seeking, aiming high, continuity through time and honesty (Kaspersky Lab, Bashneft, Aeroflot). When evaluating effect of *Power Distance* it is difficult to estimate whether it have recognizable impact on espoused values, since it is not considered as a positive driver of success in international economy. *Pragmatism* is neither recognizable from espoused values of Russian organizations. When again *Individualism* is becoming more desired and is seen in values such as taking responsibility for own actions, own development and improvement, as well as initiative approach (Sberbank, Gazprom). On the other hand collectivism has also a big impact on Russian organizational value espousal and is seen in values such as team spirit and fellowship (Kaspersky Lab, MegaFon). Again *Masculinity* as an indicator is recognizable in espoused values as competitiveness and efficiency (Rosneft, Alrosa).

Name of the company	Value structure	Uncertainty Avoidance	Power Distance	Pragmatism	Individualism	Masculinity	Indulgence
Aeroflot	Collegial	x					
Alrosa	Leadership	x				x	
Bashneft	Meritocratic	x					x
Federal Grid Company	Meritocratic						
Gazprom	Meritocratic				x		
Kaspersky Lab	Collegial	x					x
Lukoil	Meritocratic						
Mail.ru							
MegaFon	Leadership						
Novolipetsk Steel							
Rosneft	Leadership					x	x
RusHydro	Elite						
Sberbank	Meritocratic				x		
Severstal	Leadership						
Surgutneftgas	Meritocratic						

Table 6. Categorizing organizations.

All companies selected for this research have entered international competition, so recognition of masculinity in organizational values might increase in the near future. Even though Russian character is stereotyped to have a pessimistic and cynical feature in it, positivity and *Indulgence* are shining through the values espoused by organizations. These values are for instance goodwill, fellowship, team spirit, improvisation, creativity, trust and respect (Bashneft, Rosneft, Kaspersky Lab). According to my research Russian cultural drivers of Hofstede (2014) can be clearly recognized from espoused values of case companies, but I strongly believe that their impact is changing since Russian nation is slowly adapting new approaches. (Kabalina & Cheglakova 2013.)

From a structural point of view referring to value structure of Kabanoff and Daly (2002) and my research results on espoused organizational values of my case organizations, I categorized organizations according their values (Table 6). Those organizations that have not indicated their organizational values clearly

or at all couldn't have been aggregated because of lack of substantial data (Mail.ru, Novolipetsk Steel). As stated by Kabanoff and Daly there are four different types of value structures that organizations can have: *elite*, *meritocratic*, *leadership* and *collegial*. Each value structure indicates the way and values that are typical for organization to be espoused. Based on obtained values I categorized companies to following groups:

- *Elite value structure*: RusHydro.

The reason why I put RusHydro under elite value structure is because in their values they emphasize the importance of profit for shareholders and Russian industry. Moreover they do not give any information about importance of issues such as teamwork, commitment and leadership.

- *Meritocratic value structure*: Bashneft, Federal Grid company, Gazprom, Lukoil, Sberbank and Surgutneftgas.

Companies that I have categorized to belong to meritocratic value structure tend to have in common values like professionalism, quality, efficiency, team spirit and mutual respect, which I thought to be similar to teamwork, commitment and performance which are values of meritocratic value structure. Additionally this structure emphasizes equal power and companies' espoused values such as fairness, initiative and responsibility affiliate to equal power.

- *Leadership value structure*: Alrosa, MegaFon, Rosneft and Severstal.

These companies indicated espoused values such as morality, legality, leadership, efficiency, honesty, integrity, cooperation, mutual support which are similar to values of leadership value structure.

- *Collegial value structure*: Aeroflot and Kaspersky Lab.

From my point of view Aeroflot and Kaspersky Lab both represent collegial value structure, because they emphasize values like care, innovation and

fellowship, which are very much alike to collegial values such as teamwork, participation and affiliation.

Organizational grouping by means of the values that companies indicate is quite difficult since companies attribute so many various values. Additionally Kabanoff's and Daly's (2002) value structure includes all the same nine values in each structure, but just prioritizes some values more in one structure and downgrades some other values in other structure.

In their recent research Kabalina and Cheglakova (2013) listed four sides of organizational values: individuality, organization, stakeholders and society/community. Additionally they enumerated values like as professionalism, fairness, openness, social responsibility, team work and so on as being espoused organizational values of Russian companies'. Following example of Kabalina and Cheglakova (2013) I formulated a table (Figure 5.) for four value groups. I divided the values according to their relevance to each group. According to my research following organizational values were defined by my case companies:



Figure 5. Espoused organizational values.

There were listed lots of values by the case organizations. Additionally all values mentioned by Kabalina and Cheglacova (2013) were also espoused by my case organizations. Moreover all values evaluated by Cording (2004) were also the ones that case organizations indicate. The only value that was not attributed by case organizations is training. Might be that the same meaning as training as a value is behind espoused values by case companies, which were development, mastery, growth, apprenticeship and mentoring?

## 5 CONCLUSIONS

This research analyzes the communication of espoused values of Russian internationally active organizations. The analysis and findings of this research provide a holistic view on how and why Russian companies indicate their organizational values. The most important studies on this field are focused on describing espoused organizational values, Russian organizational characteristics and importance of management on values (e.g. Cording 2004, Kabanoff & Daly 2002, Kabalina & Cheglakova 2013, opec.ru 2014, Alexashin & Blenkinsopp 2005). To make a connection between reviewed literature and results, this study analyzes the findings from main perspective of literature review.

The major research questions of this study are: *Do Russian companies state their organizational values online? How the values are described: directly or hidden in some part of company description? Are there any meaningful differences between the values written in English and Russian languages?* At this stage I can indicate that according to the data received and findings reached all the research questions are answered.

According to my research majority of the case companies communicate their espoused organizational values in annual reports and/or web pages. Moreover as stated by previous researches, comprehensive organizational management is becoming more popular among Russian companies, which want to reach European standards and become a part of international economy. The essential toward reaching a standard of contemporary organization is conducted through management on values.

Finally I can state that Russian business environment is undergoing organizational changes and transformations toward modernization. Originally Russian, large companies have also proved that it is possible to become a global leader. Additionally those companies do have organizational values and

indicate them online. So, there must be some kind of correlation between managing on values and being successful? This question could be a topic for further research.

### 5.1 Suggestions for further research

This research explores espoused organizational values of Russian organizations that already have international activity. In addition to the research topic stated in the conclusion, I would suggest to investigate the importance of values in Russian organizations which do not necessarily have any international activity or international web pages. Furthermore it would be really interesting to explore the equivalence and correlation between organizational espoused values and enacted values – do companies really act the way they communicate outside or is it just a part of an image (Stevenson 1995)?

Further it would be intriguing to know the formulation of the values on the organizational level: Who formulates the values? Does the whole organization participate in it or is it a task of the executives only? How values are espoused in the whole organization? How values are attributed in the organization: by executives from top to down or from all organizational levels, from both directions?

Additionally there could be done qualitative and quantitative researches on this topic. The researches could be conducted through surveys and interviews with executives, as was done by Cording (2004).



## REFERENCES

Aggrawal Khandelwal, K., & Mohendra, N. 2010. Espoused Organizational Values, Vision, and Corporate Social Responsibility: Does it Matter to Organizational Members? VIKALPA Vol. 35 (3), 19-35.

Akaah, I. P., & Lund, D. 1994. The influence of personal and organizational values on marketing professionals' ethical behavior. *Journal of Business Ethics*, 417-430.

Alexashin, Y. & Blenkinsopp, J. 2005. Changes in Russian managerial values: a test of convergence hypothesis? *The International Journal of Human Resource Management* 16:3, 427-444.

Bourne, H., & Jenkins, M. 2013 Organizational values: A dynamic perspective. *Organizational Studies* 34 (4), 495-514.

Chatman, J. A. 1991. Matching People and Organizations: Selection and Socialization in Public Accounting Firms. *Administrative Science Quarterly*, 2-3, 18.

Cording, M. P. 2004. Organizational Integrity and Acquisition Performance: The Role of Values in Value Creation. University of Virginia. 14-18, 143-171, 181-251.

Daly, J. P., Kabanoff, B. & Poudier, R. W. 2004. The Effects of Initial Differences in Firms' Espoused Values on Their Postmerger Performance. *The Journal of Applied Behavioral Science* 40 (3), 323-343.

Denison, D. & Fey, C. 2003. Organizational Culture and Effectiveness: Can American Theory Be Applied in Russia?, *Organization Science*, 686-706.

Fey, C. F., Nordahl, C. & Zätterström, H. 1999. Organizational Culture in Russia: The Secret of Success, *Business horizons* 42 (6), 47-63.

Filippov, S. 2010. Russian companies: the rise of new multinationals, *International Journal of Emerging Markets* Vol. 5 No. 3/4, 307-332.

Finegran, J. 2000. The impact of person and organizational values on organizational commitment, *Journal of Occupational and Organizational Psychology*, 73, 149-169.

Hofstede, G. 1993. Cultural constraints in management theories, *The Executive* Feb 7, 1, 81-94.

Holt, D., Kai-Cheng, Y., Ralston, D. & Terpstra, R. 1997. The Impact of National Culture and Economic Ideology on Managerial Work Values: A Study of the United States, Russia, Japan, and China, *Journal of International Business Studies*, 187-202.

Jaffe, D. T., Scott, C. D. & Tobe, G. R. 1993. *Organizational Vision, Values and Mission*. Crisp Publications Inc. Menlo Park, CA. 19-44.

Kabalina, V. I. & Cheglakova, L. M. 2013. Corporational Values in Management of Russian Companies, *Russian Journal of Management* Vol. 11 No. 3, 5-30.

Kabanoff, B. & Daly, J. 2002. Espoused Values of Organizations. *Australian Journal of Management* 27. 89-104.

Kabanoff, B., Waldersee, R. & Cohen, M. 1995. Espoused Values and Organizational Change Themes. *Academy of Management Journal* 38 (4), 1075-1103.

Karp, H. B., & Abramms, B. 1992. Doing the right thing. *Training and Development* Vol. 46, No. 8. 1-7.

Kuznetsov, A., & Kuznetsova, O. 2005. Business culture in modern Russia: Deterrents and influences, *Problems and Perspectives in Management*, 25–30.

Kwantes, C. T., Arbour, S. & Boglarsky, C. A. 2007. Organizational culture fit and outcomes in six national contexts: an organizational level analysis. *Journal of Organizational Culture, Communication and Conflict* 11 (2), 95-111.

Lewis, R. D. 1999. *Cross Cultural Communication – A Visual Approach*. Transcreen Publications, Hampshire. 50-81.

Lewis, R. D. 2006. *When Cultures Collide: Leading Across Cultures*. Nicholas Brealey International, Boston / London 78, 372-379.

Michailova, S., & Minbaeva, D. B. 2012. Organizational values and knowledge sharing in multinational corporations: The Danisco case. *International Business Review* 21, 59-70.

Petrill Thomas, T. 2013. *The Effect of Personal Values, Organizational Values, and Personal-Organization Fit on Ethical Behaviors and Organizational Commitment Outcomes Among Substance Abuse Counselors: A Preliminary Investigation*. Graduate College, The University of Iowa, 13-95.

Puffer, S., McCarthy, D. 2011. Two Decades of Russian Business and Management Research: An Institutional Theory Perspective, *Academy of Management Perspectives*, 21-29.

Schein, E. H. 2010. *Organizational Culture and Leadership*. The Jossey-Bass Business & Management Series, San Fransisco, 2-4, 8.

Schmitt, N. 2012. *The Oxford Handbook of Personnel Assessment and Selection*. Oxford University Press, New York, 263-266.

Schwartz, S. H., & Bilsky, W. 1987. Toward a universal psychological structure of human values. *Journal of Personality and Social Psychology*, 550-562.

Stevenson, R. 1995. Clarifying Behavioral Expectations Associated with Espoused Organizational Values. *The Fielding Institute, Human and Organizational Systems*, 12-54, 77-89.

Tolz, V. 1998. Forging the Nation: National Identity a Nation Building in Post-Communist Russia. *Europe-Asia Studies* Vol. 50 (6), 993-1022.

## Electronic references

Referred 15.4.2014 <http://im.ft-static.com/content/images/9228fd16-f2c3-11e2-a203-00144feabdc0.pdf>

Referred 15.4.2014 <http://www.fastcompany.com/most-innovative-companies/2013/industry/russia>

Referred 15.4.2014 <http://www.4-traders.com/news/Russias-Top-50-Fast-Growing-High-Tech-Companies--17477270/>

Referred 15.4.2014 [http://en.wikipedia.org/wiki/List\\_of\\_companies\\_of\\_Russia](http://en.wikipedia.org/wiki/List_of_companies_of_Russia)

Referred 15.4.2014 <http://seekingalpha.com/article/231860-top-10-russian-companies-by-sales>

Referred 15.4.2014 <http://www.ratingtechup.ru/en/rate/>

Referred 30.11.2014  
<https://secure.cultureactive.com/profile/?horizon=on&co=Russia#vb>

Referred 2.12.2014 <http://opec.ru/1709742.html>

Referred 6.12.2014 <http://geert-hofstede.com/russia.html>

Referred 6.12.2014 <http://blogit.jamk.fi/cfc/2012/11/26/cultural-values-and-business-life-the-russian-example/#.VIQd7MmAFyQ>

Web pages of case companies, referred 15.4.-12.12.2014:

<http://www.eng.rushydro.ru/>; <http://www.fsk-ees.ru/eng/>; <https://corp.mail.ru/en/>;  
<http://www.kaspersky.com/>; <http://www.lukoil.com/>;  
<http://english.moscow.megafon.ru/>; <http://www.rosneft.com/>;  
<http://www.surgutneftegas.ru/en/>; <http://eng.alrosa.ru/>;  
<http://www.gazprom.com/>; <http://www.severstal.com/eng/index.phtml>;  
<http://www.bashneft.com/>; <http://nlmk.com/>; <http://www.aeroflot.ru/cms/en/about>;  
<http://www.sberbank.ru/en/individualclients/>

## Appendix 1. Organizational value espousal

Name of the company	Values in WEB - English	Values in annual report - English	Values in WEB - russian	Values in annual report - Russian
<b>Mail.ru</b>			нет данных	
<b>Kaspersky Lab</b>	Our strong belief in constant development and innovation has made things that once seemed impossible to us become part of our everyday work life. What will always remain the same is the family atmosphere of our friendly team, where everyone is always ready to help. This is reflected in our corporate values. FELLOWSHIP, AUTHENTICITY, MASTERY, IMPROVISATION, LOCALABILITY, INTRAPRENEURSHIP, AIMING HIGH		Мы твердо верим в непрерывное развитие и инновации, поэтому то, что некогда казалось нам невозможным, сегодня — часть нашей повседневной жизни. Но что навсегда останется неизменным, это семейная атмосфера и дружная команда, каждый из членов которой в любой момент готов прийти на помощь. Всё это находит своё отражение в наших корпоративных ценностях: <a href="http://www.kaspersky.ru/about/career/familia">http://www.kaspersky.ru/about/career/familia</a>	
<b>Aeroflot</b>	Our values: We care for those who fly. Today's aviation market offers a large selection of air lines to passengers. For that reason Aeroflot is highly appreciative of its passengers' loyalty. The culture of mutual respect is fundamental to our company's successful activity and the well-being of our employees as well as of their families.		Ценности: Мы помогаем всем кто летает. Пассажир — главный объект нашей заботы. Выбирая Аэрофлот, Пассажир дает нам возможность добиваться успеха. Мы работаем так, чтобы Пассажиры, выбирая Аэрофлот, оставались довольны нашими услугами и возвращались к нам снова и снова.	
<b>RusHydro</b>	Create value for our shareholders and benefit the Russian electricity sector		Компания стремится к максимизации своей ценности для государства, акционеров, общества и сотрудников.	-
<b>MegaFon</b>	Our business success is based on values and principles that we share. The Code of Business Conduct and Ethics is the foundation for our actions, decisions and relationships. Excellent service, honesty and transparency in all that we do, attention to issues and claims, integrity, cooperation, respect for laws - these are the key principles of our performance. We particularly emphasize that corruption is unacceptable. In addition to the Code, our company has approved Anti-Bribery Policy, and every employee must know and apply it. We expect the same from our partners.	The Company's values are consistent with their personal values, emphasizes the Company's commitment to environmental values, among our core values, the most important have always been team spirit, the will to win, belief in one's own abilities and success through self-improvement, adhering to internationally recognised standards of ethics and integrity in business, as well as specific anti-corruption regulation in the Russian Federation.	Наш успех в бизнесе основан на ценностях и принципах, которые мы разделяем. Кодекс этики и корпоративного поведения — это основа для наших дел, решений и взаимоотношений. Высочайшее качество услуг, честность и прозрачность во всем, что мы делаем, внимательность к проблемам и претензиям, добросовестность, сотрудничество, уважение законов — вот ключевые принципы нашей работы. Особо мы подчеркиваем неприемлемость коррупции. В дополнение к Кодексу в компании утверждена Политика противодействия взяточничеству и коррупции, которую должен знать и применять каждый сотрудник. Ее соблюдения мы ожидаем также и от наших партнеров.	
<b>Bashneft</b>		Quality, professionalism, safety, efficiency and team spirit are the key values at Bashneft	Следование морально-этическим нормам, экологичность, безопасность труда, баланс интересов производителей с потребителями, благотворительные программы, социальное партнерство, прозрачность информации.	Качество, профессионализм, безопасность, эффективность, командный дух - ценности Компании, которыми мы продолжим руководствоваться в нашей повседневной работе для достижения новых успехов в интересах всех акционеров, регионов нашей работы и страны в целом.
<b>Federal Grid company</b>		This is why one of the Company's most important tasks in terms of philosophy and values of corporate social responsibility and sustainable development is to continuously seek the balance between public and economic interests in our work.	Развитие, сотрудники, результативность, профессионализм, ответственность, доверие. ККЦ принят в 2009 г.	
<b>Alrosa</b>	ALROSA values its customers' confidence and is interested in reliable and continuous feedback from them.	The Alrosa Group pays much attention to the development of business ethics and corporate culture built on shared values of professionalism, efficiency, morality and legality.	Приоритет жизни и здоровья сотрудников, социальная ответственность, экологичность, эффективность, нравственность, партнерство, законность, гибкость и инновации.	
<b>Novolipetsk Steel</b>	Our value creation strategy builds upon three competitive advantages: sustainable growth capabilities safe and efficient processes flexibility		ЭФФЕКТИВНОСТЬ - НАША БАЗОВАЯ ЦЕННОСТЬ	
<b>Severstal</b>	Leadership in value creation: we must create the company's value at a faster rate than our competitors; we will achieve this at every stage of our company's vertically integrated operations; our products, which are highly sought and used by people around the world for a wide range of projects in construction, energy, transportation, machinery and consumer goods areas; what each one of us does every hour of every day. By undertaking additional efforts and walking an extra mile we can achieve more to exceed the expectations of our clients. Leadership in value creation — is using our knowledge, experience and expertise for the development and sustainable growth of the company. We consider the interests of all stakeholders, including shareholders, clients, employees, business partners and the communities where we operate.	It is important that our new employees share our values. We always give preference to well-educated candidates who can learn and share their knowledge with others.	Мы понимаем лидерство в созидании в широком смысле. В первую очередь, это означает, что мы должны созидать стоимость нашей компании опережающими темпами по сравнению с нашими конкурентами. При этом стоимость должна формироваться по всей цепи вертикальной интеграции, начиная от добычи и обогащения природного сырья, заканчивая высокими переделами производства. Лидерство в созидании — это производство продукции, которая пользуется большим спросом у людей во всем мире: в строительстве, энергетике, транспорте, производстве промышленного оборудования и товаров массового потребления. Лидерство в созидании — это, когда каждый из нас ежедневно и ежечасно, выполняя свою работу, предпринимает дополнительные усилия для достижения большего результата, чтобы превзойти ожидания наших клиентов. Лидерство в созидании — это использование нами знаний и опыта для неуклонного развития и устойчивого роста нашей компании с учетом интересов всех	

APPENDICES

			стейкхолдеров, включая акционеров, клиентов, сотрудников, партнеров, местные сообщества и общество в целом.	
<b>Surgutneftgas</b>	Surgutneftgas values its reputation of a good corporate citizen and is always open for a dialogue with every party committed to sustainable development and sound environmental behavior. CHARITY WORK OJSC “Surgutneftgas” considers it to be its civic duty to benefit spiritual and social values development and preservation.	The support of social and charitable projects is an essential part of the corporate policy of OJSC “Surgutneftgas” - strengthening humanistic values of the modern society.	ККЦ принят в 2013г. Порядочность, надежность и профессионализм работников, эффективность труда, взаимовыручка, взаимоуважение. В сфере развития персонала ОАО «Сургутнефтегаз» основывается на том, что персонал – одна из главных его ценностей, и деятельность компании в этой области направлена на повышение профессионального уровня сотрудников, обеспечение полной реализации их потенциала и создании личной заинтересованности в достижении компанией поставленных целей.	
<b>Lukoil</b>	First-class services to our customers; Effective HR policy; Reliable and positive image of the company; Effective environmental policy; Optimization of the operational efficiency and decrease of the operational costs; Sustain high-profit level;	CORPORATE VALUES: Personnel and continuity, Responsibility, Openness and partnership. Everything our Company does is done by and for people. Responsibility for the lives of people and for the natural resources entrusted to us in the regions or our operations. Openness and partnership in collaboration with society and stakeholders. True to its mission, LUKOIL does business justly and honestly, with respect and decency.	Ценности компании:эффективность,персонал,экологичность,социальная ответственность,партнерство, нравственность. Знания - это то, что открывает нам дорогу в будущее. Профессионализм, постоянное самосовершенствование и новаторство. Интуиция и предвидение Сотрудничество - это то, что помогает нам работать с максимальной эффективностью.	
<b>Rosneft</b>	Corporate Values: PROFESSIONALISM AND CONSTANT, IMPROVEMENT EFFECTIVENESS AND GOOD, CREATIVITY AND RESPONSIBILITY, TRUST AND RESPECT.	Positive developments in the Company unit impact values; gas program implementation, refining and petrochemical stream facility upgrades, and tank fleet refurbishment have operated to reduce unit effluent rates; reconstruction and construction of new closed-circuit water supply systems enabled a rise in the share of return water in overall water consumption.	Корпоративные ценности: ПРОФЕССИОНАЛИЗМ И СОВЕРШЕНСТВОВАНИЕ, РЕЗУЛЬТАТИВНОСТЬ И ДОБРОСОВЕСТНОСТЬ, ИНИЦИАТИВНОСТЬ И ОТВЕТСТВЕННОСТЬ, ДОВЕРИЕ И УВАЖЕНИЕ	
<b>Sberbank</b>	Our values are at the core of our attitude towards life and work; they are an internal compass that helps us make decisions in complex situations; these are the principles that we follow always and everywhere. Guiding points that help us to make the right decisions in any situations: I am a leader: We take responsibility for ourselves and for what happens around us, We do the best we can, We are constantly developing and improving ourselves, the Bank and our environment, We are honest with each other and with our customers. We are a team: We are ready to help each other by working on the common result, We are open and trust our colleagues, We treat each other with respect, We help our colleagues to develop and grow. All for the customer: All our activities are built around and in the interests of our customers, We want to surprise and delight our customers with the quality of our service and attitude, We exceed our customer's expectations.	Our values are the basis of attitude to life and work, internal compass helping make decisions in difficult situations, principles to which we are faithful everywhere and always. The guidelines, which help us to take the right decisions in any situation: I am a leader: We take responsibility for our actions and for what is happening around us. We give our best effort. We continuously develop and improve ourselves, the bank and our environment. We are honest with each other and with our clients. We are a team: We gladly help each other, working to achieve a common goal. We are open and trust our colleagues. We respect each other. We help our colleagues to grow and develop. All for the customer: All our activities are built around clients and are in their interests. We aim to surprise and delight clients with the quality of our services and attitude. We exceed client expectations.	<b>Наши ценности</b> – основа отношения к жизни и работе, внутренний компас, помогающий принимать решения в сложных ситуациях, принципы, верность которым мы храним всегда и везде. Ориентиры, которые помогают нам принимать верные решения в любых ситуациях: <b>Я – лидер:</b> Мы принимаем ответственность за себя и за то, что происходит вокруг; Мы делаем лучшее, на что способны; Мы постоянно развиваемся и совершенствуем себя, банк и наше окружение; Мы честны друг с другом и с клиентами, Мы – команда: Мы с готовностью помогаем друг другу, работая на общий результат; Мы открыты и доверяем своим коллегам; Мы относимся друг к другу с уважением; Мы помогаем расти и развиваться коллегам. Все – для клиента: Вся наша деятельность построена вокруг и ради интересов клиентов; Мы хотим удивлять и радовать клиентов качеством услуг и отношением; Мы превосходим ожидания клиентов.	Наши ценности — основа отношения к жизни и работе, внутренний компас, помогающий принимать решения в сложных ситуациях, принципы, верность которым мы храним всегда и везде. Я – лидер: Мы принимаем ответственность за себя и за то, что происходит вокруг нас. Мы делаем лучшее, на что мы способны. Мы постоянно развиваемся и совершенствуем себя, банк и наше окружение. Мы честны друг с другом и с нашими клиентами. Мы – команда: Мы с готовностью помогаем друг другу, работая на общий результат. Мы открыты и доверяем своим коллегам. Мы относимся друг к другу с уважением. Мы помогаем расти и развиваться нашим коллегам. Все – для клиента: Вся наша деятельность построена вокруг и ради интересов клиентов. Мы хотим удивлять и радовать клиентов качеством своих услуг и нашим отношением. Мы превосходим ожидания наших клиентов.
<b>Gazprom</b>	<b>Professionalism, Initiative approach, Thriftiness, Mutual, Openness for dialogue, Continuity, Image.</b>	The adopted Code of Corporate Ethics of OAO Gazprom sets forth the principles and rules of employee conduct, regulates relationship within the Company and relations between the Company and its shareholders and investors, government authorities, entities, individuals and other categories of persons interacting with OAO Gazprom, and promotes harmonised corporate values.	В «Газпроме» хорошо понимают, что коллектив компании — ее основная ценность.	



## Appendix 2. Background information on organizations

Name of the company	Nimi venäjäksi	Web-page	Amount of personnel	Year of establishment	Annual report	Web-pages in languages	Values in English annual report	Values in Russian annual report	Values on English web pages	Values on Russian web pages	Business sector/area of expertise	Web-pages	Russian origin and operations in Russia	International activity	Publicly traded company	Well-known in Russia or abroad	Major role in own sector of Russian economy
Mail.ru		<a href="https://corp.mail.ru/en/">https://corp.mail.ru/en/</a>	2800	1998	2013	Russian, English	no	no	no	no	Large communicational portal of Russian internet	x	x	x	x	x	x
Kaspersky Lab	Лаборатория Касперского	<a href="http://www.kaspersky.com/">http://www.kaspersky.com/</a>	3000	1997		Russian, English	no	no	yes	yes	Information security	x	x	x			x
Aeroflot	Аэрофлот	<a href="http://www.aeroflot.ru/cms/en/about">http://www.aeroflot.ru/cms/en/about</a>	16420	1923	2013	Russian, English	yes	no	yes	yes	Aerial transportation	x	x	x	x	x	x
RusHydro	РусГидро	<a href="http://www.eng.rushydro.ru/">http://www.eng.rushydro.ru/</a>	18244	2004	2013	Russian, English	yes	no	no	no	Power generation company	x	x			x	x
MegaFon	Мегафон	<a href="http://english.moscow.megaфон.ru/">http://english.moscow.megaфон.ru/</a>	24000	1993	2013	Russian, English	yes	no	yes	yes	Mobile operator in overall Russia	x	x	x	x	x	x
Bashneft	Башнефть	<a href="http://www.bashneft.com/">http://www.bashneft.com/</a>	25000	1946	2013	Russian, English	yes	yes	no	no	Extraction and processing of oil	x	x			x	x
Federal Grid company	ФСК ЕЭС	<a href="http://www.fsk-ees.ru/eng/">http://www.fsk-ees.ru/eng/</a>	25000	2002	2013	Russian, English	yes	no	no	no	Transmission of the electricity	x	x				x
Alrosa	АЛРОСА	<a href="http://eng.alrosa.ru/">http://eng.alrosa.ru/</a>	40000	1992	2013	Russian, English	yes	no	yes	yes	Mining, exploration, processing and sale of diamonds	x	x	x			x
Novolipetsk Steel	Новолипецк Сталь	<a href="http://nlmk.com/">http://nlmk.com/</a>	60000	1934	2013	Russian, English	no	no	no	yes	Metallurgy and mining	x	x	x	x		x
Severstal	Северсталь	<a href="http://www.severstal.com/eng/index.phtml">http://www.severstal.com/eng/index.phtml</a>	61000	1955	2013	Russian, English	yes	no	yes	yes	Steel and mining	x	x		x		x
Surgutneftgas	Сургутнефтегаз	<a href="http://www.surgutneftgas.ru/en/">http://www.surgutneftgas.ru/en/</a>	109000	1993	2013	Russian, English	yes	no	no	yes	Extraction and processing of oil and gas	x	x		x		
Lukoil	ЛУКОЙЛ	<a href="http://www.lukoil.com/">http://www.lukoil.com/</a>	150000	1993	2013	Russian, English	yes	no	yes	yes	Extraction and processing of oil	x	x	x	x	x	x
Rosneft	Роснефть	<a href="http://www.rosneft.com/">http://www.rosneft.com/</a>	170000	1993	2013	Russian, English	yes	no	yes	yes	Mining, exploration, refining, marketing and transportation of oil and gas	x	x	x	x	x	x
Sberbank	Сбербанк России	<a href="http://www.sberbank.ru/en/individualclients/">http://www.sberbank.ru/en/individualclients/</a>	232200	1841	2013	Russian, English	yes	yes	yes	yes	Universal bank offering a full range of banking services	x	x		x	x	
Gazprom	Газпром	<a href="http://www.gazprom.com/">http://www.gazprom.com/</a>	400000	1989	2013	Russian, English	yes	no	yes	yes	Exploration, production, transportation, storage and processing of gas, condensate and oil. Production and marketing of heat and electricity	x	x	x	x	x	x