



## Organizational reputation and organizational assimilation: An exploration in a transitional economy

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**Abstract.** *Purpose.* This study explores the relationship between organizational reputation and organizational assimilation among Russian employees. *Method.* To reflect the Russian business culture more closely, the present study takes organizational ownership type, private-owned enterprises vs. state-owned enterprises, and organizational founding time (before 1985 vs. after 1985) into consideration. In total, 237 full-time employees from the Perm region of the Russian Federation participated in this study, 117 males (50.4%) and 120 females (49.6%). Organizational Assimilation Scale and Organizational Reputation Scale were used for survey. Collected data were analyzed using multiple regression analysis. *Findings.* Analysis revealed that employee assimilation is positively associated with organizational reputation. In other words, employees who are more willing to accept the organizational culture and feel their work is appreciated tend to perceive their organizations more favorably. Employees working in SOEs established before 1985 perceived lower level of organizational reputation than those in private-owned enterprises. In addition, the positive relationship between organizational assimilation and organizational reputation was stronger among state-owned enterprises founded before 1985 than those founded after 1985. *Value of results.* The findings of this study suggest that employee behaviors are profoundly influenced by historical, sociocultural, political, and economic factors in Russia. Further implications and limitations of the study are discussed.

**Keywords:** organizational reputation; organizational assimilation; organizational type, Russia; perestroika.

### Introduction

Reputation is a valuable, yet a fragile resource that is co-constructed by the organization and its strategic constituents such as stockholders, employees, customers, and the public (Greyser, 1999). Employees, the agents of the organization, are essential in communicating a positive reputation to the

public and preventing reputation loss in an event of crisis. Employee management is often considered the key to effective reputation management. In fact, scholars have argued managing human capital is the first step in the sequence of corporate reputation management (Carmeli, Tishler, 2004; Cravens, Oliver, 2006). When identifying with organizational values and missions, employees are more likely to participate in organizational reputation building and maintaining (Balmer, Gray, 1999). The complex evolution of understanding and embracing organizational values, and ultimately becoming an integral member of the organization is known as the employee assimilation process. As reputation is essentially a value composite, the extent to which employees accept organizational ideologies and values will likely have an influence on their perceived organizational reputation.

The theory of employee ambassadorship suggests that employees will take on the role of ambassadorship to have a positive influence on other stakeholders when they find alignment in their value and that of the organization (Andersson, 2019). As organizational assimilation is essentially the process by which employees internalize the organizational values, it is plausible that more assimilated employees are likely to engage in activities that help promote organizational reputation. One goal of the current study is to provide clarity on the impact of employee assimilation may exert on organizational reputation.

The need to understand organizational concepts in a global setting has been widely addressed in the field of management and psychology studies. Too often, the generalizability of many theories that were originally conducted in and for the western context has not been questioned. To this end, recent studies have begun to explore many constructs in different cultural settings, especially in East Asia (Fan, 2007; Fombrun, Pan, 2006; Greyser, 1999; Park, Lee, Kim, 2014; Standifird, 2006). These studies collectively question the universality of many organizational constructs when applying them in China, a country that is culturally, politically, and socioeconomically different from the West.

Similar to China, Russia has been transitioning from a planned economy toward a market economy by liberalizing and stabilizing the domestic market over the last three decades. There was only one type of organization, state-owned enterprises (SOEs) under the Soviet planned economy before 1985. These SOEs were notoriously bureaucratic and inefficient for they were monopolies in their respective industries, thus they had little motivation for profitability or innovation (Standing, 1991). Since Perestroika (restructuring) in 1985 and the following collapse of the Soviet Union in 1991, Russia has witnessed a boom in organizations of different ownership types: multinational operations, privately-owned enterprises (POEs), joint ventures, etc. In today's Russia, organizations founded before and after 1985 differ significantly in history, size, ownership forms, values, missions, organizational culture and structure, management style, and so on (Rees, Metcalfe, 2008). While POEs have already outnumbered SOEs and become the most dominant type of organization in Russia by 2001, there is very little, if any, work with a focus on employee behaviors in POEs (Tovstiga, Tulugurova, 2007).

Under the influence of globalization and the Western market values, POEs, predominantly in new service industries, are typically more democratic and innovative. Thus, as opposed to the SOEs that still carry the stigma of bureaucracy and inefficiency in modern Russia, POEs might be deemed more reputable by their employees, which in turn has a positive influence on employee's assimilation process. To reflect the Russian context more closely, this study explores the influence employee assimilation has on perceived organizational reputation in Russia comparing SOEs and POEs that are established in different eras.

### **Organizational reputation**

Organizational reputation is an aggregate evaluation by stakeholders based on how well an organization is meeting stakeholders' needs in the past (Coombs, 2007). As a long-term and

intangible organizational asset, a favorable reputation can attract and retain customers and skillful employees, create investment interest, and prevent credibility loss and help organizations recover after crises (Cravens, Oliver, 2006; Coombs, Holladay, 2006; Roberts, Dowling, 2002). Organizations are advised to manage their reputation strategically and proactively as reputation cannot be readily enhanced or manipulated.

After reviewing various definitions of organizational reputation, D. Lange, P. M. Lee, and Y. Dai identified three prominent dimensions of the concept: being known, being known for something, and general favorability (Lange, Lee, Dai, 2011). *Being known* refers to the awareness of the organization by stakeholders without judgement. In other words, this dimension reflects the general visibility and prominence of the organization in the society. A broader awareness generally indicates a stronger organizational reputation. The *being known for something* dimension deals with the subjective evaluation of an organization by specific interest groups. Building on the being known dimension, being known for something emphasizes on stakeholders' expectation of seeing desired behaviors from an organization. For example, an organization may hold a reputation of being "a quality products/service provider" to customers, "eco-friendly" to environmental activists, "trustworthy" to creditors, and "ethical" to employees. The third dimension, *general favorability*, refers to stakeholders' overall assessments of an organization based on an aggregate of organizational attributes that are shaped by financial, social, and environmental factors. In the same vein, A. Clardy argues that a meaningful conceptualization of organizational reputation needs to reflect the following five elements: general knowledge or beliefs about an organization, evaluative judgment, brand knowledge and awareness, personality, and the financial asset of goodwill (Clardy, 2012).

Employees, one of the most important strategic publics, have been the emphasis of many organizational reputation studies (see e.g., Cable, Graham, 2000; Men, Stacks 2013; White et al., 2010). Favorable employee perception not only leads to enhanced job satisfaction, job performance, and organizational productivity, but also reinforces employee identification with the values, beliefs, and missions of the organization. Employees are more likely to build, protect, and defend organizational reputation when they embrace the organizational values. To extend this important line of research, the current study approaches organization reputation from the employee perspective.

### **Organizational assimilation**

Organizational assimilation refers to the "multifaceted and complex processes by which individuals become integrated into the culture of an organization" (Jablin, 2001, 755). To examine different aspects of employee assimilation process, K. K. Myers and J. G. Oetzel developed "Organizational Assimilation Index" (ODI) that consists of six dimensions: 1) familiarity with others refers to building emotional bonds with other organizational members; 2) acculturation involves learning and accepting the organizational norms and rules of the organization; 3) recognition denotes being recognized as valuable by one's supervisor; 4) involvement indicates seeking to make contributions to the organization, including assuming extra-role tasks; 5) job competency refers to knowing how to perform well in one's job; 6) role negotiation entails employees/members negotiating their expectations and the expectations of the organization (Myers, Oetzel, 2003). To address reliability concerns, B. M. Gailliard, K. K. Myers, and D. R. Seibold revalidated this measurement and thereby ended with a seven-dimension scale by dividing "familiarity with others" into "familiarity with coworkers" and "familiarity with supervisors" (Gailliard, Myers, Seibold, 2010). Organizational assimilation is positively associated with job satisfaction and organizational commitment (Gailliard et al., 2010; Myers, Oetzel, 2003).

In addition, more assimilated employees feel more comfortable expressing their emotions in the organization (Scott, Myers 2010) and are more likely to express dissent to supervisors and

coworkers (Croucher, Zeng, Kassing, 2019). In the current study, seven dimensions of organizational assimilation are aggregated into one universal construct as previous studies have argued the whole index combined provides a full measure of organizational assimilation (Croucher et al. 2019; Myers, Oetzel, 2003).

Many management studies have explored the impact of organization reputation on job seekers in the recruitment stage, whereas little is known about the role of reputation plays in the newcomers' socialization process into the organization (Cable, Turban, 2003; Turban, Forret, Hendrickson, 1996; Turban, Greening, 1997). A favorable corporate reputation has a positive effect on the pride that job seekers expect to feel from the potential organizational membership (Cable, Turban, 2003). It is very likely that the positive effect lasts and intensifies over the course of the assimilation process. In turn, assimilated employees are more likely to express their organizational pride, which helps build and maintain the organizational reputation.

To the best of our knowledge, there is the only work that has incorporated assimilation and reputation in one study (Croucher et al., 2019). It is evident in the correlation table that assimilation and reputation were significantly related, but the study's primary focus was on employee dissent while the positive relationship between assimilation and reputation and its important implications received no discussion. As shedding light on the relationship between organizational assimilation and organizational reputation is crucial in advancing our knowledge on internal communication in organizations, we hypothesize the following:

*Hypothesis 1: There is a positive relationship between organizational assimilation and organizational reputation in Russia.*

### **Employees and organizations in a transitional economy, Russia**

The prevalence of POEs vs. SOEs varies dramatically among nations. While SOEs are prevalent especially in developing and transitional economies, SOEs in Russia are particularly unique considering their large numbers, long histories, and persistent influences in the nation. The economy of Soviet Union was entirely based on the system of state ownership of all industrial assets. During that time, private ownership was illegal, and even words such as "corporation" and "company" were considered too capitalistic to be used in daily life. "Perestroika", the reform movement in 1985, marked Russia's first attempt to liberalize the market, which ultimately contributed to the dissolution of the Soviet Union in 1991. The subsequent rapid implementation of economic liberalism (i.e. shock therapy) that aimed to bring US-style capitalism to Russia had resulted in two major changes: 1) large scale of privatization on SOEs and 2) a flourish of organizations of different ownership types. The main objective of privatization was to turn SOEs into profitable businesses by depoliticizing and reducing inefficiencies. To operate in a new, volatile, and competitive environment, reformed SOEs were struggling to survive in the post Perestroika stage (Puffer, McCarth, 2011). Confronted by challenges in organizational unlearning, these older SOEs often struggle to combat bureaucracy and inefficiency. On the other hand, SOEs established after 1985 such as Alrosa (mining company founded in 1992) and Rostec (technology company founded in 2007) are becoming leaders in innovation as they could prioritize research and business goals before political objectives and also benefit greatly from the state support and subsidies (Gershman, Roud, Thurner 2019). As such, new SOEs might carry less historical baggage and have built a more favorable reputation in today's Russia compared to old SOEs. Thus, we hypothesize the following:

*Hypothesis 2: State-Owned Enterprises after 1985 (SOEsA) have higher level of organizational reputation than State-Owned Enterprises before 1985 (SOEsB) in Russia.*

The current study has a focus on another type of organization that emerged only after 1985 in Russia: Privately-Owned Enterprises (POEs). Despite the fact that SOEs in contemporary Russia

still complicate market entry and suppress internal competition, POEs are thriving in new sectors, including online trade, IT, marketing, etc. POEs are typically smaller in size and are more likely to adopt Western labor standards and management techniques, favoring a democratic organizational culture and offering competitive salary and benefits packages (Temnitskii, 2005). As opposed to those in SOEs, managers from POEs tend to regard employees' professional and personal qualities to be a key in business success (Pletnev, Barkhatov, 2016). It is becoming difficult for SOEs in today's Russia to reduce bureaucracy and inefficiency because many SOEs are getting even larger as a result of acquiring their private competitors, resulting in a reverse in the privatization movement (Stan, Peng, Bruton, 2014). Thus, it is likely that POEs might have a more favorable reputation of being innovative and vibrant than SOEs. To this end, we put forth the following hypothesis:

*Hypothesis 3: POEs have higher level of organizational reputation than SOEs (both SOEsA and SOEsB) in Russia.*

Today, Russia's workforce can be roughly divided into two generations: those who have spent most of their working life in the Soviet system, and those who have entered the workforce after Perestroika (Fey, Nordahl, Zätterström, 1999; Gurkov, Settles, 2013). The rapidly emerging POEs in IT and communications, retail, banking and recreation are perceived as innovative and are preferred by the young generation workers. Workers of different generations differ significantly in terms of the perception of meaning of work, work ethics, career goals, work autonomy, and so forth (Alexashin, Blenkinsopp, 2005). Employees who are used to the lifelong employment system tend to demonstrate higher commitment to the organization and view low salary as a reasonable tradeoff for the job security. The older generation in Russia is found to be more concerned about friendships, social contacts, and equality at work (Fey et al., 1999). The new generation employees, on the other hand, are primarily employed in new industries and have adopted many western work values. To explore the influences of organizational type and founding time on employees' willingness to espouse organizational values and the perception of their organizational reputation, we pose the following research question:

*Research Question: Do organizational type and founding time (SOEsB, SOEsA, POEs) moderate the relationship between organizational reputation and organizational assimilation in Russia?*

## Method

### Participants and procedures

In total, 237 working adults from the Perm region of the Russian Federation participated in this study, 117 males (50.4%) and 120 females (49.6%). Participants ranged in age from 18–57 ( $M = 30.77$ ,  $SD = 9.71$ ). The participants' organizational tenure varied extensively: less than or equal to one year ( $n = 49$ , 20.7%), two to four years ( $n = 58$ , 24.5%), five to seven years ( $n = 31$ , 13.1%), eight to ten years ( $n = 22$ , 9.3%), 11 to 15 years ( $n = 28$ , 11.8%), 16 to 20 years ( $n = 25$ , 10.5%), more than 20 years ( $n = 24$ , 10.1%). All participants were full-time employees. Participants came from a variety of occupations (agriculture — 1,2%, education — 31%, engineering — 12,8%, medical — 2,5%, military — 8,7%, manufacturing workers — 2%, retail and service — 8,3%, etc.) and worked at a variety of firms/companies. Respondents, invited to participate in the study in a snowball sample manner, were asked to complete a paper-and-pen questionnaire, which took between 15–25 minutes. No compensation or additional incentive was provided. Surveys included demographic questions, Organizational Reputation Scale (Coombs, Holladay, 1996), and the revised version of Organizational Assimilation Index (Galliard et al., 2010).

Table 1. Demographics of participants

Variables	Range	N	M	SD
Sex				
Male		117		
Female		120		
Age	18–63		36.18	10.73
SOEsB		74		
SOEsA		83		
POEs		80		
Management position		50		
Non-management position		187		
Organizational tenure	less than a year — 40 years		9.37	9.08

### Instruments

Surveys were originally prepared in English. Native bilingual speakers translated them from English into Russian, and separate bilingual speakers then back-translated the survey into English that was compared to the original English version to check for accuracy and clarity. Adjustments were made when the back-translated version was considered inaccurate or ambiguous in reflecting the original survey.

#### *Organizational Assimilation Scale*

The revised 24-item Organizational Assimilation Scale was used to measure the extent to which individuals perceive they have been accepted into an organization. All items are measured on a 5-point Likert-type scale that ranges from (1) strongly disagree to (5) strongly agree. Sample items include “I know the values of my organization” and “I think my supervisor values my opinions.” Previous Cronbach’s alpha reliability coefficients have ranged from .63 to .95 (Galliard et al. 2010; Sollitto, Johnson, Myers, 2013; Sollitto, Martin, Dusic, Gibbons, Wagenhouser, 2014). In this study, we treat Organizational Assimilation as a unidimensional construct. A confirmatory factor analysis was conducted to test the validity of the measurement. Four items were removed using factor loadings .4 as the threshold (Hinkin, 1998). The revised model demonstrated satisfactory fit:  $\chi^2(146) = 279.90$ ,  $p < .001$ ; GFI = .90, CFI = .94, RMSEA = .06. Cronbach’s alpha value for the scale was  $\alpha = .88$ .

#### *Organizational Reputation Scale*

The 10-item Organizational Reputation Scale (Coombs, Holladay, 1996) was used to assess measures organizational character and the extent to which organizational members consider their organization ethical. All items are measured on a 5-point Likert-type scale that ranges from (1) strongly disagree to (5) strongly agree. Sample items include “The organization is basically honest” and “I would buy a product of service from this organization.” In previous research, the scale has shown acceptable reliability, from .81 to .98 (Croucher et al., 2019; Coombs, 1998; 1999). A confirmatory factor analysis was conducted to validate the measurement. After dropping two items, the model demonstrated satisfactory fit:  $\chi^2(18) = 44.92$ ,  $p < .001$ , GFI = .95; CFI = .98, RMSEA = .08. Cronbach’s  $\alpha$  for the refined organizational reputation scale = .91 (see table 2).

Table 2. Means, standard deviations, correlation, alphas, and fit-statistics of the constructs

Variable	M	SD	$\alpha$	Correlation	$\chi^2$	df	GFI	CFI	RMSEA
Organizational reputation	3.74	.92	.91		44.92	18	.95	.98	.08
Organizational assimilation	3.59	.56	.88	.33**	279.90	146	.90	.94	.06

## Results

To test the hypotheses and explore the research question, three multiple regression models were constructed. In model 1, age and organizational tenure were entered as control variables ( $R^2_{adj} = .10$ ). In model 2, organizational assimilation and dummy variables that were created to with SOEsB serving as the reference group were added as independent variables ( $R^2_{adj} = .24$ ). In model 3, cross-product terms testing the interaction of organizational assimilation and organizational type and founding time were entered ( $R^2_{adj} = .37$ ). All three models were significant. The model 2 was a significant improvement compared the model 1 ( $\Delta F= 14.09, p < .001$ ), and the model 3 was a significant improvement compared to the model 2 ( $\Delta F= 4.06, p < .05$ ).

Table 3. Regression model for organizational reputation

Regressor	Model 1	Model 2	Model 3
Intercept	4.28	2.09	2.36
Organizational tenure	-.26**	-.21*	-.22**
Age	-.10	-.12	-.11
Organizational assimilation		.35***	.31**
SOEA (SOEB as the reference group)		.04	-.94
POE (SOEB as the reference group)		.16*	.39
Assimilation * SOEA			.99*
Assimilation * POE			-.24
<i>F</i>	14.14***	15.10***	12.24***
$\Delta F$		14.09***	4.06*
$R^2$	.11	.25	.28
$R^2_{adj}$	.10	.24	.26

Note: \* —  $p < .05$ . \*\* —  $p < .01$ . \*\*\* —  $p < .001$ .

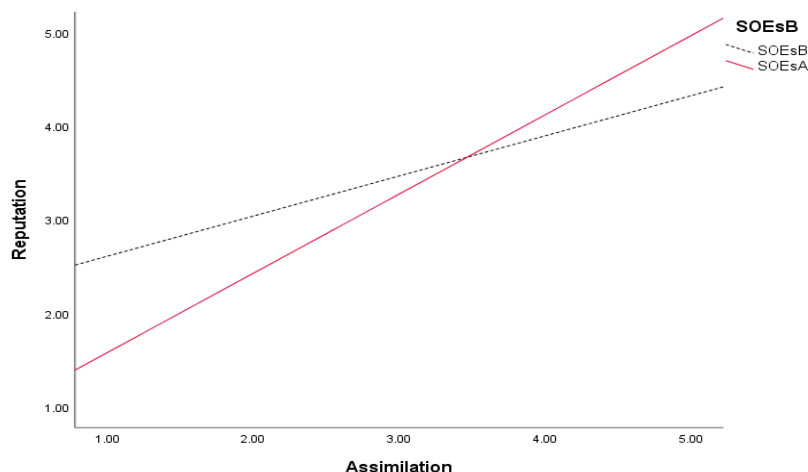


Figure 1. Interaction plot

Thus, results from model 3 were used for testing  $H1$  and the research question. As cross-product terms were included in model 3, which render the regression slopes of dummy variables meaningless (Hayes 2018), the results in model 2 were used for testing  $H2$  and  $H3$  that look at the reputation differences between SOEsB, SOEsA, and POEs. In sum, organizational assimilation had a positive effect on organizational reputation ( $b = .31, p < .001$ ). Thus,  $H1$  was supported. There was

no difference in organizational reputation between SOEsB and SOEsA. In addition, employees in POEs, as opposed to those in SOEsB, perceived a higher level of organizational reputation ( $b = .16$ ,  $p < .05$ ). Thus,  $H2$  was not supported and  $H3$  was partially supported. For the research question, the positive relationship between organizational assimilation and organizational reputation was stronger in SOEsA than in SOEsB ( $b = .99$ ,  $p < .05$ ). As for the control variables, organizational tenure had a significant negative effect on organizational reputation ( $b = -.22$ ,  $p < .01$ ), whereas age was not a significant predictor. See Table 3 and Figure 1 for details of the models.

## Discussion

This study reveals a positive relationship between organizational assimilation and organization reputation. In other words, employees who are more willing to accept the organizational culture and feel their work is appreciated tend to perceive their organizations more favorably. Through assimilation, employees become acquainted with organizational standards and values, thereby becoming an integral part of the organization (Myers, Oezel, 2003). Employees through the assimilation process are likely to develop an inner-pride attitude toward their organization. Organizational pride is present when employees demonstrate high social identification with the organization and consider the workplace positive and ethical (Kraemer, Gouthier, 2014). A prerequisite for the feeling of pride is the individual's strong need for affiliation, and the organizational pride is essentially rooted in employee group membership (Arnett et al., 2002; Gold, 1982). Thus, employees who are more assimilated feel more pride toward their organization and are more likely to enact behaviors that promote organizational reputation. Ample research has highlighted the important role of employees in building and maintaining corporate reputation and favorable corporate reputation, which in turn, has a positive impact on employees' performance and satisfaction (Men, Stacks, 2013; Ravasi et al., 2018; Turban et al., 1998). However, few studies explored practical ways in which organizations can engage employees in reputation building. This study contends that facilitating employee assimilation is a way to familiarize employees with the organizational core values, which will motivate employees to identify with the organization and defend the organization in the time of turbulence. In this regard, organizations are advised to further invest in employee orientation and team-building programs to help facilitate employee assimilation process. It is worth noting that assimilation may repeatedly happen during one's organization tenure, especially in the face of radical organizational changes (Gailliard et al., 2010). HR professionals may need develop recurrent programs and trainings to help employees understand and embrace the fundamental values and missions of the organizations.

The regression analysis suggests the reputation of SOEsB is significantly lower than POEs. This result is little surprising as there are significant differences between the old SOEs founded in the Soviet era and the post-socialist POEs (Vorobieva, 2015). Working for SOEs, employees were offered lifelong employment along with, however, low salaries. The one-manager principle was largely adopted in state-owned enterprises as early as during Stalin's era, and managers' power was not supervised or questioned as long as the organizational goals were met (Clarke, Donova, 1999). While equality is regarded a fundamental value of communism, employees in the Soviet enterprise were infamously poorly treated. With limited opportunities to advance one's career in the bureaucratic SOEs, employees often cared little about making meaningful contribution to organizations (Linz, 2004). The same mentality persists in SOEs even in the post-Soviet time. Plagued by corruption, political interference, and a lack of market discipline, SOEs are often perceived "hopelessly incompetent and inefficient" (Gershman, Thurner, 2016, 297). In the epoch of Perestroika it was possible to form a legal entity that has the right to act independently from the state when negotiating



contracts and establishing direct relations with suppliers and customers. By 1999, the number of registered POEs reached three million along with several million unregistered ones. The primary interest of these “new organizations” was material gaining. The state was involved but played a limited role in exerting control over the organizational operations and policies (Michalopoulos, 1997). It has been widely acknowledged that privatized firms tend to outperform SOEs in terms of financial conditions, innovation, and productivity (Iwasaki, 2007). POEs typically offer better wages as well as fringe benefits including housing, daycare, holiday accommodation for employees. In addition, managers in the post-socialist enterprises tend to adopt a transformational leadership that encourages open communication and involves employees in the decision-making process (Pletnev, Barkhatov, 2016). This study offers empirical support for that Russian employees in POEs tend to regard their organizations more reputable.

The current study also revealed that the positive relationship between organizational reputation and employee assimilation is stronger in SOEsA than in SOEsB. In other words, employees' assimilation level will have a greater impact on their perception of organizational reputation in SOEsA. A possible explanation is that the unfavorable perception and negative stereotypes of SOEs founded in the Soviet time are rather fixed and hard to change in today's Russia. As the perception of organizational reputation tends to be long-term and relatively stable, it is possible that the reputation of organizations with longer histories is less influenced by situational factors. The current study suggests that SOEsB need undergo more substantial changes in privatization and corporate governance to break free from a long established, unfavorable corporate reputation. Another explanation for the finding is organizational core values of SOEsB are unclear and less articulated to their employees. Few traditional SOEs entered the public capital markets, and thus are less exposed to the market pressure. Consequently, they often adopt more conservative policies and hardly make any advancements in terms of productivity and employment. Thus, the contributions SOEsB make to the economy and the wellbeing of the society are often considered unsatisfactory given their large size and vast resources they have access to. It is difficult, if not impossible, for employees to resonate with organizational values that are deemed less altruistic to the society. This is also evidenced in the fact that SOEsB employees are less interested in creating values for the society and their primary motivation to stay in the position is because of job security. Future studies are encouraged to include factors such as perceived corporate social responsibilities and meaningfulness of work to further investigate into the differences in employees' identification with the organizational values among POEs, SOEsB, and SOEsB.

One interesting finding of this study is that the control variable, organizational tenure, is negatively associated with organizational reputation, which is contradictory to the intuitive positive relationship between tenure and reputation. The negative relationship between organizational tenure and organizational reputation can be contributed by the pervasive and explicit aging discrimination in Russian organizations. It was found that, despite labor regulations, job vacancies are age discriminating and position discriminating. 90% of job ads in Russia had age limits: younger people are demanded in newer and better-paid service industries such as marketing and sales while people over 45-year-old are often stuck in low-paid positions with few promotion opportunities (Vorobieva, 2015). Thus, working in a traditional industry that lacks innovations and opportunities, senior employees in Russia are likely to view their organizations unfavorably. Another issue associated with organizational tenure is the retirement age in Russia, which is currently being heatedly debated. The Federal law “On labor pensions in the Russian Federation” (in force from 20.11.1990 № 340-1) established the right to claim pension, based on seniority, at the age of 55 for women and at the age of 60 for men. Individuals who are close to retirement have the lowest chance to be employed. As a result, regardless of their job satisfaction and commitment to the organization, workers over 45-year-old

often choose to put up with unsatisfactory working conditions and stay with the same organization to be eligible for pension. In this sense, longer tenure in an organization is not an indication of strong organizational commitment or loyalty, but rather a functional compromise made by Russian workers to access their rightful benefits. Russian employees with tenure of more than 3 years consider the organizational reputation less significant in comparison with the employees whose seniority is less than two years (Artyomova, 2011). Employees with an organizational tenure of more than 10 years often experience frustration and report low level of job satisfaction because their work is no longer perceived as a means of self-realization and development (Kuznetsov, Povarenkov, Tsvetkova, 2006).

## Conclusion

The current study explores the relationship between organizational assimilation and organizational reputation among three kinds of organizations in Russia that differ in ownership types and establishing time: POEs, SOEsA, and SOEsB. The contributions of this study are threefold. First, the current study with a focus on Russian organizations complements previous research that have been predominantly conducted in the United States and East Asia. The collapse of the Soviet Union had brought enormous political, cultural, and socioeconomic changes upon the member states at various levels (Rees, Metcalfe, 2008). The sudden shift to a market economy has created unprecedented uncertainty and confusion for both organizations and individuals. To date, our understanding of organizations and employee behaviors in former Soviet Union countries remains largely limited. These countries in transition provide a unique and valuable soil for testing the universality of organizational theories and models. Future studies, especially with a focus on generational differences, are strongly encouraged to take place in former Soviet Union states.

Second, the study makes a theoretical contribution by confirming the significant, positive influence that employee assimilation has on organizational reputation. While previous studies have recognized the important role of employees in corporate reputation management, few discussed practical ways in which employees are motivated to participate in reputation building. Employees become acquainted with and ultimately embrace organizational norms, values, and missions through the assimilation process. This study suggests organizations that make investments in assimilation programs such as onboarding plans, new-employee orientation, team-building events, and mentoring programs might be more successful in motivating their employees to help build and defend the corporate reputation.

Third, the current study extends our knowledge by providing nuanced information on the differences among POEs and SOEs established before and after 1985 in Russia. The findings revealed that the reputation of SOEsB is significantly lower than POEs. When evaluating corporate reputation, stakeholders often examine whether there is a match between what the organization can do and what the organization would do (Mishina, Block, Mannor, 2012). With substantial state support and huge potential, older SOEs in Russia fail to perform up to the public's expectations. The theory of social judgment proposes that individuals collect cues such as competence, ability, and intentions to cognitively form an overall assessment of a target (Srull, Wyer, 1980). The long-lasting, negative cues surrounding SOEs such as bureaucracy, inefficiency, and corruption have been continuously glossed over by top decision makers. As Russia is ambitious in continuing the privatization process by gradually withdrawing the state influences on SOEs (Gershman et al., 2019), it is imperative to acknowledge the negative cues and implement more intensive, meaningful reforms to render traditional SOEs more competitive in the global arena.

While the results of this study shed light on organizational behaviors in Russian organizations, a few limitations are evident. One limitation of this study is employees are recruited from a particular

region in Russia. Generalizations should be made with caution. It is desired for future organizational research in Russia to include large cities such as Moscow and St. Petersburg which are more economically active. Another limitation is only a single type of reputation is included in the study. The current study explores the relationship between employees' perception of organizational reputation and their assimilation level. Since organizational reputation is perceived differently by different stakeholder groups, it is possible employee assimilation process is also influenced by organizational reputation perceived by other stakeholders such as the media, activist groups, etc. Thus, it is warranted to explore reputation from different angles to fully grasp the influences of organizational reputation on employee behaviors. Third, it is possible that the negative relationship between organizational tenure and organizational reputation can be better explained by psychological factors that are not included in the current study. For instance, psychological detachment and absenteeism might be prevalent among senior Russian workers, which can be the reason for them caring less about the organizational reputation. Future research is warranted to include such psychological factors when studying employee behaviors in modern Russia.

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# Организационная репутация и организационная ассимиляция: исследование в переходной экономике России

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**Аннотация.** *Цель.* Данное исследование посвящено изучению связи между организационной репутацией и организационной ассимиляцией среди российских сотрудников. *Метод.* Для подробного рассмотрения российской деловой культуры исследование учитывает тип собственности организации (частные или государственные), а также период создания организации (до или после 1985 г.). Полученные данные от 237 сотрудников, работающих на условиях полной занятости, были проанализированы методом множественной регрессии. *Результаты.* Результаты анализа показывают, что ассимиляция сотрудников положительно связана с организационной репутацией. Сотрудники государственных организаций, основанных до 1985 г., показывают более низкий уровень организационной репутации по сравнению с сотрудниками частных организаций. Помимо этого, установлено, что положительная связь между организационной ассимиляцией и организационной репутацией сильнее у сотрудников организаций, основанных до 1985 г., по сравнению с теми, которые созданы позднее. *Ценность результатов.* Результаты исследования демонстрируют, что на поведение работников оказывают существенное влияние исторические, социокультурные, политические и экономические факторы. В работе обсуждаются дальнейшие выводы и ограничения исследования.

**Ключевые слова:** организационная репутация; организационная ассимиляция; переходная экономика.