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Social Embeddedness as a Business Goal: New Theoretical Implications from the Case of a Global Value Chain

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This paper provides new theoretical implications for the concept of social embeddedness as one of the main objectives for business relations. Previous studies have considered social embeddedness as an external factor to market exchanges that forms outside of economic relations; in other words, embeddedness appears as an incidental product of market interactions. Here, I propose that social embeddedness is being intentionally constructed by market actors as an integral part of a business process. This view is developed by a theoretical adaptation of studies in relational marketing and the sociology of valuation. Relational marketing shows that interfirm relations have additional value for businesses and can educate market practitioners to intensify social interactions. Valuation studies explain the process of value creation for end goods, and this explanation is applied to interpreting the value of interfirm relations.

For the empirical validation, I focus on the field of global value chains because the global coordination of business interactions requires an explicit discussion of relational characteristics. The research is performed using a qualitative design. The empirical part consists of 13 months of participant observation as a sales manager in a Russian global value chain that works in fast-moving consumer goods and consumer electronics. Also, 33 deep semistructured interviews were conducted with employees of the global value chain. Data analysis is performed within a grounded theory perspective. The empirical section demonstrates that the proposed vision of embeddedness as an integral and desirable part of a business process is applicable to firm practices. Economic actors participate in permanent valuation processes to maintain a common interpretation of interfirm relations; they conceptualize business ties as an important source of market value.

Keywords: economic sociology; relational marketing; valuation studies; social order; Russia; interfirm relations.

The concept of new economic sociology includes embeddedness as one of its main theoretical points. The formal beginning of the discipline originates with Mark Granovetter's work about embeddedness [Swedberg 1997]. However, there is no unique definition of what should be considered as embeddedness: the concept is closer to an umbrella for different theoretical perspectives that include social network analysis (SNA), institutional approach, and other narrower interpretations [Kotelnikova 2012a]. Different perspectives can be generalized to the two broad views about a relation between social embeddedness and economic exchanges, but both of them lack crucial theoretical explanations on the foundation of embeddedness. The first approach only studies variables that are external to market ties [Uzzi 1996; 1997], and the second one considers social embeddedness as a part of market exchanges but as an incidental product of these interactions [Kotelnikova 2012a].

The current paper aims to develop the second approach, hence supplementing the understanding of social embeddedness in economic action as a primary part of the business process. This view is formed by combining three theoretical positions of relational marketing, valuation studies, and the analysis of global value chains (GVC). Recent studies in sociological theory consider economic action as a new form of social ritual [Beckert 2016]. Following this idea, the social embeddedness of economic actions appears as a central element of a social order. Simultaneously, relational marketing perceives relational ties as a source of value for business [Sheth, Parvatiyar, Sinha 2012]; this means that economic actors should seek embeddedness with their partners. Additionally, valuation studies have been used to explain how market actors change the format of interfirm social relations. Valuation studies have demonstrated how the value of end goods is socially constructed by market participants [Callon, Meadel, Rabeharisoa 2000], and in the current paper, these explanations are adapted for interpreting the value generated through social relations.

The empirical part of the current paper is designed to find any manifestation of intentionally constructed social embeddedness by market actors. Hence, global value chains (GVC) were selected. GVCs are relatively new supply chains based on the principles of relationship marketing, and their production is realized by multiple companies that are distributed worldwide [Gereffi 1994]. The work of any supply chain assumes social interactions between firms as a part of production. If the actors in a supply chain do not discuss relational ties in a proposed format, then the proposed theoretical explanation should be considered as inappropriate for all other forms of market interactions due to fewer complexity of social interactions. It is also true for GVCs in the highest degree: because companies from different social contexts need to establish a common understanding of business relations to operate effectively, the validation of a new theoretical implication should be more evident.

The analysis is based on qualitative data gathered from the Russian part of a GVC based in the fast-moving consumer goods (FMCG) and consumer electronics sectors. The author performed 13 months of participant observation as a sales manager in a multinational producer. The observation included an examination of corporate documents, visiting business events, and writing field notes. Also, the empirical data include 33 deep semistructured interviews with participants working in the GVC. These interviews were analyzed used the grounded theory as a lens [Strauss, Korbin 1990]. The paper is structured as follows: First, I discuss interpretations of embeddedness in economic sociology and their limitations. After that, I introduce new propositions about social embeddedness based on studies in relational marketing and the sociology of valuation. Next, GVC case study is presented, and the research methodology is explained. Finally, the empirical results provide a thick description of the studied case in combination with a discussion about theoretical proposals from the first part.

Theoretical Perspective

Ontology of Embeddedness in Economic Action

The concept of embeddedness is a key analytical instrument in economic sociology. Mark Granovetter introduced this concept and shaped the research field of the entire discipline [Swedberg 1997]. The idea of embeddedness helps explain the outcomes of economic activity and highlights the role of social relations in the economy. Despite its significance, it has only two conventional characteristics accepted among scholars: electivity and temporal duration [Kotelnikova 2012a]. Electivity is based on the selection of partners for exchanges [Burt 2000]. The aspect of temporal duration of relationships is significant for gaining relational experience. Granovetter conceptualized trust as a belief in the compliance of agreements by the counterpart because of his or her previous decent behavior [Granovetter 1985].

Although embeddedness could be conventionally operationalized by exclusivity and temporal duration, there is no agreement on the relations between embeddedness and market transactions; it is a field of debate among researchers, and the argument concentrates around two opposite views [Kotelnikova 2012a]. According to the first view, embedded ties form outside the market and are based on previous experience of nonmarket relations [Uzzi 1997]. This approach reduces the investigation of embeddedness to the research of network characteristics and the relative positions of actors in a network [Nahapiet, Ghosal 1998; Kotelnikova 2012a]. The opposite approach—developed by Kotelnikova [2012a]—implies that embeddedness is generated during the market exchanges. This explanation is based on the idea of the social exchange theory that social norms and structures appear through the actual interactions between counterparts [Blau 2009]. Market interactions appear as inevitable social interactions that generate relational experience. Hence, the received experience enables to select partners for interactions carefully.

The current paper supports the second approach because this view provides the ability to investigate the internal features of the business relations that form social embeddedness. At the same time, this view presumes the existence of social relations formed outside of the market. Therefore, in the empirical analysis, I detect the formation of social embeddedness during economic exchanges.

> **Proposition 1:** *The social embeddedness of economic actions is not only a phenomenon formed externally to market, but also a characteristic being internally generated during market exchanges.*

Kotelnikova's approach provides a more holistic interpretation of market embeddedness; however, it is also theoretically incomplete and should be modified. Indeed, social embeddedness inevitably originates in business relations [Kotelnikova 2012a], but this explanation lacks an interpretation of the importance of generated embeddedness, both from the view of market actors and social order in general. Kotelnikova quantitatively estimates the influence of social embeddedness on the behavior of market actors [Kotelnikova 2012a] but does not provide a qualitative explanation of how business participants explain social embeddedness to themselves. Such an explanation is crucial because of the newest theories of social ontology.

Beckert proposes an idea that economic activity is a new form of social ritual that serves to reproduce a social order in modern society [Beckert 2016: 201]. In "Imagined futures," he assumes that capitalist goods contain symbolical power with a similar influence on social relations, much like with what totems had in traditional communities. Both market goods and totems symbolically represent social structures and appear as material manifestations of social values. The consumption process performs like a ritual that realizes symbolic value by its social consequences [Beckert 2016: 201]. In other words, the market economy in the Beckertian scheme becomes a way of generating the social order that substitutes traditional forms of maintaining social solidarity. Relative to economic sociology, this means that market relations produce social embeddedness as a prime product of business activities.

Beckert, though, pays little attention to the production side, but the structure of social embeddedness among business partners appears to be another side of maintained social order. So the attitude toward embeddedness by market actors determines the ability to change social order consciously. Simultaneously, studies in economic sociology have proved the influence of social embeddedness on business outcomes [Uzzi 1997; Radaev 2016]. Therefore, the research on social embeddedness should explain how market actors interpret the role of embeddedness in their business enterprises and how they plan the design of embeddedness with their counterparts. The current paper provides an explanation of these processes by adopting the concepts of relational marketing and valuation studies in the field of analyzing embeddedness.

The demand for external concepts is related to an inattention to internal explanations of embeddedness by market actors. Scholars primarily have concentrated on a description of structural parameters like a network position [Uzzi, Lancaster 2003] or the structure of social capital and the skills of cooperation [Fligstein 2001]. Other researchers have determined the strategies used by actors to cooperate [DiMaggio 1988; Fligstein 1997], but they do not explain the motivation of actors and the reason for choosing a particular strategy. Some studies in relational marketing produce an interpretation of the embeddedness relevant to market actors [Tretyak 2013]. These theories from valuation studies can be adapted to explain the process of how business counterparts design the embeddedness.

Cooperation as a Value in Relational Marketing

As a discipline, relational marketing formed in parallel with new economic sociology. Both were formally coined in the early 1980s when "wild" markets were intensively "domesticated" by governmental regulations and the role of long-term relationships increased [Kotelnikova 2012b]. The two branches have similar core ideas about business relations and develop these ideas in different ways. Both relational marketing and economic sociology study network relations and the path dependency of actual ties from previous relational experience and reputation in business networks [Kotelnikova 2012b; Tretyak 2013]. Economic sociology initially concentrated on market relations, which are secondary in relation to core business activities. The researchers of this branch have studied the impact of third parties and institutional structures [DiMaggio, Powell 1983; Scott 2004]. Also, they primarily have concentrated on informal agreements and nonmarket ties. Oppositely, relational marketing started with the relations of producers and consumers as the main factor of the value creation process. Marketing scholars have concentrated on the network ties between market participants, especially on formal agreements that regulate contracts in local markets and supply chains [Sheth, Parvatiyar 2000]. Later, both disciplines became more theoretically sensible to the research subject and broaden the spectrum of the explained types of ties [Bruhn 2003; Kotelnikova 2012a].

These initial distinctions led to different views of the character of relations. Economic sociology interprets business relations as a field of struggle and a form of power distribution between market participants [Fligstein 1996]. Relational marketing is concentrated on reaching a consensus between producers and consumers [McKenna 1991]. The focus of relational marketing provides an idea of symmetrical business relationships. This idea grounds the next proposition of the present paper.

The principle of relational symmetry between business partners and with consumers has been studied as a source of gaining a competitive advantage in a market [Porter 1985; Sheth, Parvatiyar 2000]. According to this, collaborative work with partners creates additional value that cannot be formed by each of the counterparts alone or by manipulations by the producer. Cooperation with consumers allows the development of goods with suitable characteristics that are really required by the demand side [McKenna 1991; Shani, Chalasani 1992]. Relational marketing investigates the parameters of interfirm, network, or market relations that appear more productive when it comes to value creation [Morgan, Hunt 1994]. Implication of the results of these marketing studies aims at shaping the degree of embeddedness between counterparts and in business networks. Therefore, the format of embeddedness becomes an internal interest of business production for interacting market actors.

> **Proposition 2:** *Market actors perceive social embeddedness within their partners as a part of the production process in the value chain that generates additional value.*

The discipline of relational marketing belongs to the corpus of managerial literature that is useful not only for scientific research but also for developing practical implications for business managers [Augier, Teece 2004]. Thus, theories of relational marketing could have a similar performative impact on business relations as economic theory has [Knorr-Cetina, Preda 2000]. Like economics, relational marketing pretends to be a form of guidance for practicing managers, and it educates businesspeople to seek social embeddedness with their partners. In this way, it is possible to assume that practicing managers consciously plan the degree of embeddedness with counterparts as an integral part of total value creation.

> **Proposition 3:** *Practicing managers consciously shape their economic relations with counterparts to establish social embeddedness because their practical guides interpret interfirm relations as a part of the value created in a supply chain.*

Relational marketing offers an interpretation of social embeddedness that is promoted by practicing managers. However, marketing studies do not explain how market actors should behave to establish or change the format of social embeddedness with their counterparts. The discipline only highlights the structural characteristics of different embedded relations [Sheth, Parvatiyar, Sinha 2012]. In this paper, I propose a view that market actors discuss the benefits of social embeddedness in a similar way as they discuss the value of the end goods produced in a market or a supply chain. Hence, valuation studies provide a theoretical scheme to interpret such processes.

Valuation Process as a Formation of Embeddedness

Valuation studies investigate how the value of market goods is created. According to the approach, there are no objective criteria for either material or symbolic worth that exist independently from the processes of social valuation [Aspers 2013]. The idea of value is just a convention between market participants who act "as if" particular qualities are valuable and could be exchanged [Aspers 2013; Beckert 2016]. Multiple works in this area show how collective agreements qualify the characteristics of objects that should be produced and sold [Wehinger 2013], and construct subjective measures of these goods' symbolic value [Karpik 2010]. The main function of valuation processes is uncertainty reduction for both the supply and demand sides [Aspers 2018]. The formation of standardized expectations maintains the predictability of relations and allows for the shaping of stable market structures [Beckert 2016]. These studies show that market actors realize the constructivist character of goods' value [Beckert 2016] and exploit its measurements as a tool of getting signals from the market and reaching reflexivity [Esposito, Stark 2019].

Here, studies have focused exchanged goods. However, research has applied a valuation approach to business relations in a market. If all values exist only through the processes of social valuation [Aspers 2013], then the value of social embeddedness is also constituted by social evaluations. Therefore, the production of embeddedness by market actors should be interpreted by investigating valuation schemes. The key feature of the valuation process is the redistributed character of valuations made by multiple actors. The idea of redistributed valuation refers to the action network theory (ANT) introduced by Latour [2005]. In the ANT, sociality is a special type of interaction process when both sides of communication orient themselves toward the reaction of a counterpart. For Latour, there are no differences between alive or material objects that are reflectively communicating during participation in the action network [Latour 2005].

The redistributed character of value assessment makes the common participation of actors crucial. Both producers and consumers participate in constructing the qualities of goods and the goods' worth [Callon, Muniesa 2005]. Common participation of the supply and demand side in estimation processes maintains the legitimacy of valuations [Vargha 2013] and provides structural resistance to occasional manipulations of one side [Beckert 2016]. Therefore, each side should consider the others' expectations as an influential parameter [Knorr-Cetina, Bruegger 2000]. To maintain market stability, action networks should synchronize the valuation activities of multiple market participants. This type of integrated network becomes a united calculation system that makes market interactions possible. The calculation system is a combination of the value-measuring processes performed by multiple actors who relate to market goods at any stage of production [Callon, Meadel, Rabeharisoa 2000].

Relative to social embeddedness, the work of calculation systems should aim at interpreting the qualities of interfirm relations and their benefits to counterparts. Partners should discuss what benefits they will receive if they reach particular types of interactions like the duration of relationships, the degree of formality in communications, available actions toward partners without additional negotiations, and any other characteristics of their social ties. Actors can theoretically create institutional mechanisms of assessment that help in classifying the relational format. As a result, actors should form a common understanding of the value that they receive from interfirm relations and what relational features can provide this value. Therefore, an empirical analysis can be designed to detect valuation processes aimed at interpreting the meaning of social embeddedness to market actors.

> **Proposition 4:** *Market actors permanently participate in collective evaluations that aim at generating a common interpretation of value, one that is provided by interfirm relations. Actors realize evaluations through discussions about the characteristics of interfirm relations and establish institutional measurements for these characteristics.*

According to valuation theories, actual interpretations of value greatly depend on the market context [Berdysheva 2015]. The qualifying parameters are determined by market structure, institutional restrictions, characteristics of industry, and the presence of third parties. In such a situation, the interpretation of value provided by social embeddedness should vary across different markets, supply chains, or even between different types of participants in one market or the supply chain. In extremal variants, business partners can seek different benefits from similar types of interfirm relations because their structural positions imply dissimilar expectations to the development of firms.

> **Proposition 5:** *A common valuation process will end with different interpretations of the desired relational type for different participants of interfirm relations. Business counterparts can seek different benefits from the same format of business ties.*

Empirical Context: Global Value Chain as a Field of Emerging Embeddedness

In the current study, the aim of the empirical analysis is to find any manifestation of the five stated propositions, according to that social embeddedness is being intentionally created as a crucial outcome of business process. If business relations include a process of valuation dedicated to interfirm ties, then the present theoretical perspective is productive for further studying embeddedness. For this reason, the GVC context was chosen as the most appropriate. All supply chains include interfirm relations as the main way of operating. Therefore, the theoretical frame presented in the current study should be refuted if a supply chain does not include the valuation processes of interfirm relations. A GVC is a type of supply chain distributed globally [Gereffi 2011]. Consequently, the valuation processes in a GVC should be more observable than in other types of supply chains because firms from dissimilar social contexts need to understand each other for maintaining the work of a supply chain.

The modern version of GVCs originates from the second half of the twentieth century when developing countries started to change their strategy of import substituting industries (ISI) to a strategy of export-oriented industries (EOI) [Gereffi 1994]. That shift signified the redistribution of production processes around the world. A GVC analysis implicates the idea of integral value creation taken from relational marketing. In other words, all firms across different countries do not produce different products used by their counterparts but instead interact with each other to create the holistic market product. Each participant of a value chain creates some additional value for the end good [Gereffi 1994; 2014b].

The perspective of common value creation in GVCs assumes the establishment of partnership relations between firms from different institutional contexts that are rooted in the business networks of local markets. Here, local markets are interpreted as local social orders or "fields" introduced by new institutionalism and described as "situations where organized groups of actors gather and frame their actions vis-à-vis one another" [Fligstein 2001: 108]. The level of the GVC assumes the reintegration of local social fields to participate with "alien" actors from any other local field. It requires purposeful work of designing the interfirm ties to maintain the united production process that includes the sophisticated activities of development, production, marketing, and distribution [Lee, Gereffi 2015]. In contrast to relational marketing, a GVC analysis considers the power imbalance between GVC participants as a significant force of performance in value chains [Levy 2008]. A GVC analysis studies the contradictions between different types of GVC participants. The actors of a GVC have different structural positions that determine their expectations from interfirm relations.

A GVC includes dominant and weak actors who follow the opposite logics of development. Dominant actors are primarily multinational corporations (MNCs); they initiate the transmission of production processes from developed to developing countries to reduce costs [Gereffi, Kaplinsky 2001]. A GVC analysis divides dominant actors into producers and buyers. Producers orient themselves toward internalizing all of the production hierarchy in their companies or satellites. Meanwhile, buyers focus on developing their own brands and fostering competition between producers [Gereffi, Lee 2016]. Despite these differences, both types of dominant actors try to govern the development of value chains and preserve their shares in value production [Gereffi 2014a]. The main value of interfirm relations for dominant actors is control over their counterparts.

Weak actors are more diverse and classified as participants whose input in value creation does not allow them to change the structure of the GVC. Their long-term interest is upgrading, which means the expanding their share in the production of end goods [Gereffi, Lee 2012]. Weak actors are interested in new responsibilities to expand their share in production, and they search additional responsibilities in interfirm relations. Despite these differences, all GVC participants work together to create common value. Therefore, all partners should find interfirm relations in GVC as beneficial to them.

Data and method

The research was performed using a qualitative design. I made a 13 month participant observation as a GVC employee and collected 33 deep semistructured interviews with other workers of the value chain. The respondents worked in multinational producer, national distributor, and two retailers. An empirical analysis was performed using the grounded theory, and the criteria for case selection include work experience, functional role of employee, and the level in business hierarchy were specified throughout the analysis.

Case Description

A case study is a type of empirical research where the real phenomenon is investigated by involving different sources of information, and it is hard to distinguish between the context and the subject of study [Kozina 2004]. This approach allows for concentrating on central relations of the phenomenon, but it requires careful selection of the case for reaching construct validity [Geddes 1990]. Case selection was planned theoretically and based on the classification of processes made in relational marketing, valuation studies and GVC analysis. In compliance with relational marketing, I chose a part of a value chain for the analysis. This allowed for observing the real processes of synergetic value creation [Tretyak 2013]. According to the concepts of a GVC analysis, the studied subject should include the main types of participants analyzed in the approach, here including buyers, producers, dominant actors, and weak actors [Gereffi 2014b].

From the perspective of valuation studies, the best case study should be found in markets with low state regulation and low counterfeit levels. Additional regulations complicate interfirm relations [Radaev, Kotelnikova, Markin 2009] because counterfeit goods require special quality measurements [Wehinger 2013]. Cumulatively, this makes it difficult to understand the principles of shaping embeddedness. During the case selection, I considered methodological recommendations about the quantity of the studied objects and selected four firms for the analysis. This quantity simplifies the comparison of objects and increases both internal and external validity, as well as running a deep investigation without informational oversupply [Eisenhardt 1989]. These four organizations form the Russian part of the GVC that that produces FMCG and electronics. This firms are multinational producer (MNC), national distribution company, large national retailer, and national brand store of the MNC's goods. The selected case satisfies all stated criteria: firms constitute a value chain, they represent different organizational formats, the market has low counterfeit level and the quantity of firms in the study is 4.

The studied organizations are integrated into the united value chain. The multinational producer (Firm 1) has globally distributed production lines and manages over 60 famous brands of fabric care, feminine care, shave care, and oral care around the world. This firm is a dominant player in global markets and in Russia particularly. It manages Russian production lines and has one of the biggest advertising funds in media. The firm is included in "Fortune 500," and according to the perspective of GVC analysis, its central objective in the value chain is to preserve actual structure of value creation. Another organization is the national distribution company (Firm 2). It distributes goods produced by multinational producers and performs additional functions like merchandizing and the adaptation of packages to the Russian market. The company also develops its own brands that are produced by small Chinese firms. The distribution company is a weak actor in the value chain, and it aims to achieve economic upgrading by increasing its role in value production.

The third organization is the large Russian retailer (Firm 3). It should be classified as a dominant buyer because this company has large profits presented publicly and places in the top three for Russian retail chains in consumer electronics. The retailer performs acquisitions and is oriented at keeping its dominant role in the value chain relative to other retailers. The fourth organization is the official brand store (Firm 4) of the studied multinational producer and of other multinational company brands. The company primarily operates on the Internet and has a very small number of physical stores. According to the GVC classification, this is a weak player with an interest in driving its share in value creation. Therefore, both criteria of relational marketing and the GVC approach are met.

The Russian FMCG market consists of a relatively small amount of large multinational producers that provide 57% of market value and approximately 10 dominant buyers that include five multinational and five national retail chains. In total, retail formats maintain 89.7% of sales [Radaev et al. 2017]. FMCG production is largely localized in Russia, and there is a low counterfeit level in this industry [Radaev et al. 2017]. Also, there is relatively weak state regulation in the nonfood sectors of the Russian retail market [Radaev 2013]. Counterparts are free to determine the design of service bonuses in the supply chain [Radaev 2018]. This situation corresponds with the requirements formulated from the perspective of valuation studies.

Observation Procedure and Work with Interviews

The triangulation included observations and a series of interviews, hence allowing for a higher theoretical sensitivity and internal validity [Eisenhardt 1989]. The observations, from the perspective of an employee of the multinational producer, became the first part of the research. The author occupied the position of sales intern for 13 months and interacted with managers of all the studied organizations through the working process. The research motivation was openly proclaimed to the employer, and data collection was officially accepted under the terms of business confidentiality.

The observations include writing a diary, the analysis of corporate documents, full participation in the studied processes, corporate education, and an informal discussion of value chain processes with colleagues and managers of counterparts. The first three months of diary notes were in a free form. This prevented the imposition of the researcher's categories to the field notes [Strauss, Korbin 1990]. Afterwards, notes were categorized on interfirm relations, relations with counterparts, projects' description, colleagues' opinions, value creation, conflicts, and reports.

The observation part fulfilled several methodological goals. It allowed for fostering theoretical sensitivity of the studying subject and helped in categorizing and formulating interview questions. Inclusion in the working process upgraded the level of trust with colleagues, involved author in informal networks between employees, and helped to recruit respondents for the interviews. The insider's position helped develop a critical understanding of the informants' self-representations and complicated lying during the interviews.

A sample design was developed for the analysis and was based on the principles of the grounded theory. The methodological objective of the grounded theory is the creation of new theory by enlightening the real categories that constitute the studied subject, an investigation of relational types between these categories, and prioritizing the detected relations [Strauss, Korbin 1990]. Following the methodology of the grounded theory, interviews and subsequent analyses were conducted in three consecutive stages. Research went back to the previous stage each time it was essential for theorizing. Each stage has a specified sample design and, finally, 33 interviews were collected.

The first stage was dedicated to open coding. This procedure aimed at finding and categorizing the maximum amounts of phenomena that constitute the studied subjects. To satisfy the criterion of a thick description, I constructed a sample of maximum variation. The distinction parameters were taken from theoretical knowledge of value chains [Gereffi 2011] and observations. These criteria are a place of employment (in MNC, distributor, large retailer or brand store) and functional differentiation.

Four functional roles were selected for the analysis: sales, purchasing, marketing, "field work," and logistics. The role of sales and purchasing includes communication with partners about the scales of orders, control over implementation of commitments, and monitoring the number of goods at warehouses. The second function—"marketing"—assumes the creation of strategies of brand promotion and developing market research and the development of advertisements. The third function—"field work"—relates to tasks that should be regularly performed in the headquarters and stores of counterparts. Field workers realize merchandizing, collect data about goods and of the activities competitors, and control the realization of commitments in stores. The logistics function requires data collection about planned orders from counterparts, planning the routes of goods' delivery, and preparing supporting documentation. Nineteen interviews were collected based on the distinction between places of employments and functional roles: 13 with employees from multinational producer, four from distribution company, and one from each retailer. Ten informants performed sales functions, three were from marketing departments, three were field workers, and three were from logistics.

The second stage of analysis was axial coding. This stage is dedicated to the search of relations between detected concepts. Relationship types across categories are classified multidimensionally as spatial, temporal, qualitative, causal, and subjective ties between concepts. At this stage, "the snowball" sample was realized based on the recommendations received from previous informants. Additional distinctive criteria of the informants were introduced based on the open coding. The new functional role called "service" was searched for as a maximal variety of working experience and employees with different hierarchy levels. Service function includes work with documents, preparing analytical reports, data mining, and consumer consultation on a hotline. Working experience was categorized into three groups. The first group includes employees with work experience less than 5 years in a company, the second group includes workers with experience between

5 and 10 years, and the third group includes workers employed 10 or more years. Both working experience groups and the classification of hierarchy are based on the formal categorization accepted as a multinational producer.

According to the classification of hierarchy, four groups were created: technical specialists, managers without subordinates, managers with subordinates, and directors (or Chief Executive Officer (CEO) for brand store). Technical specialists operate strict and routine tasks that have clear key performance indicators (KPIs), such as number of visited stores or time of a registration of an order. Both managerial positions assume project leadership. These types of positions confer responsibility for business results within their projects. Managers are also required to coordinate with technical specialists and communicate with directors. The distinction between managerial levels lies in the structure of responsibility and the existence of subordinates. The number of subordinates that managers in the sample have varies from one to 10. Being a director requires strategic planning and managing large clusters like federal districts or brand management at the national level. For this group, 10 interviews were collected. There were seven workers from the MNC, two from the distributor, and one from the brand store. Four were employed in sales, two in marketing, and four in service functions. One informant of this stage was a technical specialist, four were managers without subordinates, two were managers with subordinates, and three occupied directorship functions. Four managers had work experience less than five years, and the two other groups had three informants each.

The third stage of analysis was elective coding. The main objective here was to determine the central categories of analysis and the most important relations between them. This process allows for building a theoretical answer for the research questions [Strauss, Korbin 1990]. The recruiting of informants was concentrated on filling in the gap of the interpretation scheme and on verifying the explanation formed by the literature.

Four interviews were conducted at this stage. One was a technical specialist in the marketing department of the multinational producer. The second respondent was a sales director of a distribution company that worked there for close to three years. The third informant was a manager of the MNC without subordinates, who worked 15 years in the company; and the fourth respondent did not work in the studied GVC. He was a technical sales specialist from other multinational producer with less than five years of work experience. Three interviews were dedicated to the discussion of the analytical model created by the author, and the fourth one allowed for the estimation of the applicability of the proposed theses to other value chains. Tables 1 and 2 show the distribution of informants by selective criteria. A maximum variety of the retail workers was not achieved here because the informants perceived the interviews as an attempt of power redistribution. Hence, the response rate in the large retailer did not allow for reaching technical specialists and directors who worked in marketing, logistic, and service functions. Information about their work comes only from observation reports and questions from other interviews. The whole list of respondents presented in the Table A.1 in Appendix.

Table 1

Distribution of Informants by Firms, Working Experience, and Function in the GVC

Firms	Working Experience, years	Functional Role in the GVC Marketing					Total
		Sales	g	Logistics	Service	Field Work	
Multinational producer	Less than 5	4	2	2	1	1	10
	Between 5 and 10	3		1			4
	More than 10	6	2		1		9
Distribution company	Less than 5	1	1		1		3
	Between 5 and 10				1	1	2
	More than 10	1				1	2

Table 1

Firms	Working Experience, years	Functional Role in the GVC Marketing					Total
		Sales	g	Logistics	Service	Field Work	
Large retailer	Less than 5	1					1
	Between 5 and 10						0
	More than 10						0
Brand store	Less than 5	1					1
	Between 5 and 10		1				1
	More than 10						0
Total	17	6	3	4	3	33	

Table 2

Distribution of the Informants by Firms, Working Experience, and Level in Hierarchy

Firms	Working Experience, years	Hierarchy Level				Total
		Technical Specialist	Manager without Subordinates	Manager with Subordinates	Director / CEO	
Multinational producer	Less than 5	2	6	1	1	10
	Between 5 and 10		1	1	2	4
	More than 10	1	1	4	3	9
Distribution company	Less than 5		1	1	1	3
	Between 5 and 10	1	1			2
	More than 10		1	1		2
Large retailer	Less than 5		1			1
	Between 5 and 10					0
	More than 10					0
Brand store	Less than 5				1	1
	Between 5 and 10				1	1
	More than 10					0
Total	4	12	8	9	33	

The final observation diary consists of 36 papers in Microsoft Word 2016. Thirty-two interviews were saved on a voice recorder and were transcribed into the text in Microsoft Word 2016. One interview was written as a memo because one informant did not want to speak with a recorder. The code analysis was conducted in Atlas.t.i. 8.0.

The coding stages were not separated chronologically. Starting from open coding, the analysis turned to this stage when necessary to describe an additional part of the subject or when there were not enough categories to explain the phenomenon. The first stage of open coding aimed at finding the maximum number of categories that can relate to the stated propositions. These categories include all the aspects of negotiations (interfirm, intrafirm, between a manager and employee) and all mentions of "relations," "partnership," "cooperation," and other minds contextually related to interactions.

The other area of categories includes information about value creation and production. It includes codes about the benefits, business indicators, KPIs of employees, delivered value of the organization, organizational mission, working projects, and business activities. All the codes were essential for understanding the terms used to describe the actual embeddedness format in the GVC and the perception of market value created in the chain.

The main goal of axial coding was to illuminate causal relationships between the categories of social ties, and the codes had been connected to the concept of value. For these reasons, other types of relationships were investigated. During the axial coding, relations such as spatial and temporal ties between categories of partnership, value creation, and business activities were discovered. Their analysis was used for triangulation with an explanation of casual relationships given by the informants and for testing the paper's propositions. Also, the informants' attitudes toward interfirm relations and value creation were used as qualitative measures between the studied categories. These evaluations assisted in detecting the performative component in the formation of embeddedness.

Elective coding allowed the building of a united explanation scheme, where the actual formats of embeddedness in the GVC became a central category. As a result, common interpretations of the interfirm relations were categorized, and causal relationships between interfirm exchanges, valuation procedures, and formats of embeddedness were interpreted in relation to the central category. The final explanation scheme is represented by the following formula: "doing one common deal," which develops into a more detailed version that comes with various descriptions of empirical contexts. Data analysis in the grounded theory is realized as forming a theory about the studied subject [Strauss, Korbin 1990], so comprehensive analytics are presented in the form of validation the propositions of the current paper.

Results

The Place of Embeddedness in a Business Process

The empirical analysis showed that the formulated propositions are represented in the work of the studied global value chain. First, I investigated if companies consider social embeddedness as an internal part of economic relations. Indeed, they intentionally included social embeddedness in their economic exchanges, from macro-explanations to routine practical actions. This validates **proposition 1**.

Both the multinational producers and large retailers claim having long-term partnership relations with consumers and business partners as a part of the their companies' missions. During the participant observation, corporate education at the multinational producer was studied, and it included systematic preparation of employees for building relational ties with other managers.

A large part of corporate education in MNC is dedicated to learning the ideal design of embeddedness within partners and the methods for achieving this. The desired format of interfirm relations was conceptualized as an expert position for all partners of MNC. This means that partners will follow the recommendations of the company and act in a way that is preferable for the multinational producer. The ideal type of relations is interpreted as a condition that should be reached gradually by achieving intermediate relational formats. The first such format is readiness to participate in projects; the second format is compliance with the terms of the contract. The third format is trusting the reasoning of the MNC about working projects and the belief of an MNC's partner that the MNC does not want to trick the partner's firm.

This model of building relationships was widely replicated throughout all communications within the studied corporations. Supervisors have skills of establishing trust and gaining authority, here using score cards to manage their subordinates and measure their productivity. Managers constantly noted that employees should not forget about the relational aspects in their activities and checked to see how subordinates interpreted the strategy of managing the embeddedness claimed by the company.

> *I remember times when top managers regularly visited our local office and asked random workers what the company's purpose, values, and principles mean. Employee could be fired if the answer was*

> *inarticulate. That's how the company worried about delivering its mission* (Victor, marketing manager with subordinates, working thirteen years in a multinational producer).

The most important part here is that the methods of relational building were concentrated on working processes. Practically, all recommendations of establishing social relations were made through instructions of how to perform the primary business activities. This fact supports the second proposition.

Sales' guidance describes the key activities that are essential for sales manager to become an expert for the MNC's counterpart. These activities are described by terms such as "being honest," "learning the customer's needs," "keep promises," "do not break timelines," and "execute perfectly." These recommendations were proclaimed seriously, and the education course included a case study of successful managers, which included the analysis of the steps made by successful managers.

> *All sales' work is about 'execute perfectly.' Finally, this is the only way to gain authority from the customer* (Igor, sales manager without subordinates, working three years in a multinational producer).

> *I always say to my guys: 'You need to do the job qualitatively. Go to store's director and ask about duties to help her. Speak with her, share the latest news.' This system worked for me; it works for them now. The stores' directors know our guys and let them be initiative* (Sasha, sales manager with subordinates, working twelve years in a distribution company).

The everyday interactions between managers included even more concrete discussions about the relational outcomes of business practices. Colleagues argued about the consequences of phone calls to the director of the store or to the supply manager of the partner's firm. They discussed the emotional condition of the other side after making an agreement or the ability to receive assistance informally in the layout of goods after they present the offer on a phone call.

Working teams planned future negotiations in a complex way. The supervisor would take part in these conversations, even if he or she did not participate in the negotiations with counterparts. All business activities were analyzed from the perspective of the resulting changes in embeddedness, as well as the physical changes of distribution or price shift. If some project appeared dualistic: there was a successful in realization of annual objectives of Firm 1, but this was annoying for the Firm 3 and risky for long-standing relationships between firms, so the manager of Firm 1 denied such a project to preserve good relationships with Firm 3.

The analysis demonstrates that GVC managers realize the constructive character of embeddedness. In compliance with **proposition 3**, managers construct concrete forms of social relations based on the knowledge provided by corporate education and business books.

The workers of MNC collectively planned the desired results of their annual and quarterly work. These results were described in terms of sales indicators, earned volume of money, value share in companies stores, brand awareness, and some other measures such as the potential development perspectives. Although the embeddedness format is being perceived as a way of coordination within the value chain, it is essential to realize the annual measures of success.

MNC employees do not seek to coincide with pre-existing relational formats. Conversely, their main objective is to find the available methods to create a new empirical format of embeddedness that would allow for maintaining the desired format of production (the same with marketing, logistic delivery, etc.) In the value chain, the description of the corporate mission provides an ideal categorization that should be relevant for evaluating the real relationships, and top managers educate subordinates to create contextual relational formats that would satisfy the company's vision.

> *The main task of the manager is to find an appropriate way to realize the company's recommendations, satisfy customer's needs, and do it in compliance with state legislation* (Helen, sales manager with subordinates, working seven years in a multinational producer).

The empirical data provide an example of such an adaptation. Victoria, the buyer of another Russian retailer, who also works with the studied MNC, could not realize her duties. Anna, the sales manager of the MNC could not come to an agreement with the Victoria because the last one did not have the time and skills to perform the discussed advertising campaign. So Anna from MNC offered Victoria from retailer help with her duties, which could free up some time for Victoria. After that, Anna form MNC had started to visit Victoria on a weekly basis. Anna performed the tasks of Victoria from retailer. In this situation, Victoria completed all her objectives, and she allowed Anna to initiate the discussed advertising campaign.

This case is not a unique one in the studied GVC. Both supervisors of the multinational producer and distribution company pay a lot of attention to estimating how project performance changes business relations. The supervisors explain to their subordinates how activities should be interpreted in terms of trust and long-term reputation and how these consequences should be discussed with partners. Through these common discussions, new formats of social relations are being permanently created and revised.

The Process of Evaluating Embeddedness

The analysis shows that the formation of embeddedness can be realized by the firms' collectively distributed estimation procedures, as expected in **proposition 4**. Valuation studies describe the multiple aspects of constructing value as related to different markets and contextual problems. The current study sees the system of valuations used to construct embeddedness in the analyzed part of the GVC. As I proposed, collective estimations of social relations operate under the same principles, such as the evaluation of end goods in markets. All processes of evaluation, as highlighted in the research, can be compared with evaluation techniques at markets of end goods analyzed by valuation studies.

The process of the valuation of embeddedness in a GVC consists of four main stages. These stages include value construction, coordination of activities, appealing to a third party, and testing stability. The procedures for constructing the value of social relations operate under the same principle as described by Vargha's study on Hungarian banking [2013]. The procedure of conceptualizing a value requires the mutual participation of negotiating sides. Managers from different firms, like multinational producer (Firm 1) and large retailer (Firm 3), come together, point out the goals of their companies, and give their strategical interests. After that, each side (Firm 1 and 3) analyzes its own possibilities and prepares a project of integration that will satisfy both sides. The proposal should be attractive both for managers from Firm 3 and directorate of Firm 1.

When it comes to embeddedness, the proposal includes a number of reports that should be shared between partners and benefits that are expected from creating common knowledge. Also, the producer discusses with the retailer the scope of activities that merchandizers can perform in the retailer's stores without additional permission. They discuss the events that should be included in annual agreements and the agreements without additional contracts, when email justification is enough. These negotiations form a perception of value that is expected from new relational formats.

Value creation needs common estimations from all counterparts in the GVC. Companies develop multiple tools for planning and assessing the realization of the achieved agreements. These tools include automotive monitors, warehouses, and sales data. At the same time, merchandizers generate data through their visits to stores, and managers discuss with each other the best ways to interpret statistical metrics. This work is essential to reach coordination between the activities of managers so as to implement a unified perception of value in a business reality. During these activities, partners decide on the steps needed to change the format of social relations or the degree of transparency. Similar processes of mutual estimations are described by Aspers for the reduction of uncertainty in forest markets [Aspers 2013].

The process of evaluation includes social legitimation and changing the level of trust between counterparts. This is realized by receiving independent expertise from a third party. This additional evaluation creates an impression of objectivity and strengthens the whole redistributed system of value calculations [Aspers 2013]. Based on this, GVC participants regularly buy analytics from consulting agencies like GFK and Nielsen, and these reports are used to check the reliability of the calculations made internally by each counterpart and to compare their own business results with other value chains that operate with different configurations of social embeddedness.

The current research shows that GVC participants realize the intersubjective character of value perception and act reflexively. Using triangulation, managers test the stability of the value concepts of embeddedness and correct them based on estimations. They reproduce the logic, similar to what is studied by Esposito and Stark [2019] about the attitudes of financial markets. The analysis made by one GVC participant is checked by other partners and institutional tools. If estimates correspond with each other, the partners decide how relations should be adjusted to improve the results. If a contradiction exists between the results, it is a failure of the actual format of embeddedness.

During the internship, the author encountered such a case. The large retailer shares a sales reports with multinational producer and distribution company for payment purposes. The margin rate in the report was two times lower than the target that was fixed in agreements (40%). The buyer of the large retailer required new discounts from the producer to increase the margin. The MNC sales manager noticed that the report from the retailer omitted some important variables in the calculation. The manager of the MNC initiated a new report within the company and hired new employees to update their own estimations daily.

After three months of working on the new report, the manager of the MNC found that margin level was close to the target and varied no more than in 2–5%, instead of the 20–30% claimed by the manager of the large retailer. The results were shown to the buyer of the retailer and her supervisor. The partners stayed with the old discounts, but the managers from the large retailer were forced to let the employees from the MNC contact the internal analysts at the retailer. A new format of social relations was established. Generally, the processes of value determination, coordination of estimations, appealing to a third party, and triangulation-based corrections maintain the reshaping of the format of social relations between partners. Table 3 represents the similarities between processes that were observed in actual research for the social relations and the estimations of the value of end goods described in other studies.

Table 3

Procedures for Evaluating Embeddedness in GVC and Its Analogs for End Goods

Procedure	Function	Similar Process Studied by
Value conceptualization	Achieving an understanding of what outcomes are desired by partners	[Vargha 2013] Banking sector
Common estimation	Coordination of activities, realizing how to create value	[Aspers 2013] Forest market
Third party’s assessment	Gaining the legitimacy of estimations, forming an anchor for arguments	[Aspers 2013] Forest market
Triangulation of calculations	Testing estimations, making corrections of valuations	[Esposito, Stark 2019] Financial market

During the process of valuation, partners create shared expectations of the value from relational ties. Despite the fact that actors participate in the united valuation process, they produce different explanations of the benefits from the same relational behavior. This finding confirms **proposition 5**: what is perceived as a benefit depends, at least from a structural position in the GVC, on each studied firm. Shared explanations of benefits are generally divided into investment and optimization. These concepts present conditions that are desired and the concrete actions that should be performed to achieve them. Indeed, these actions should change the format of social embeddedness between partners.

In the context of the studied GVC, investment represents an input in the capitalassets of the partner's company, or to work for free for the partner. This format enables satisfying both the strategic goals of government and upgrading. Dominant players spend their resources on the development of a weaker partner. A strong company determines what projects it will spend money or the time of its employees on. Therefore, the design of the value chain continues to be constructed by the dominant actor. Even though a weaker company receives the sources for development, this will lead to an increase of the weaker company's share in the production of end goods.

Investment projects were regularly carried out between the multinational producer and large retailer. Despite the dominant role across competitors, the retailer aimed to expand the volume of money it earned in the studied GVC. For instance, the producer proposed new equipment for the retailers' stores. The equipment would cultivate sales, and the MNC made it by means of its own assets. In return, as one condition, the MNC would receive new rights to merchandizers, such as the ability to put the goods of the MNC in a special order on the shelf or to check the work of the retailers' consultants in stores. In other words, deeper participation in the business processes of retailers was included in the investment project.

> *The specifics of work lie in the fact, that you* (as a manager) *has a strong brand which you bring as a category's development. I am not going to develop a brand; I am going to develop the whole market* (Kseniya, sales manager without subordinates, working four years in a multinational producer).

Optimization is also used to satisfy both the dominant and weak actors in their desire to govern and upgrade. The difference between optimization and investment is determined by the type of partners interacting with each other. Relations between suppliers and retailers are conceptualized under the idea of investments, while ties on the supply side are interpreted through optimization.

Here, optimization is determined as a complex network of activities aimed at improving the business processes of a counterpart through consultations. This includes increasing the transparency of business processes, educating employees, and implementing new metrics to estimate a business model. The primary result of optimization is conceptualized as a transmission of new functions from dominant to weak actors. However, this form of transmission is conditioned by the performance of weak company in the compliance of standards developed by the dominant company that wants to delegate the functions. Hence, the dominant player shapes the business model of the weaker actor.

In the studied empirical case, the concept of optimization was realized in a dyad composed of the multinational producer and distribution company. The companies formed a vision that all joint projects with retailers in Russia would be managed by the distributor. This management included operations with the marketing funds of the MNC. The conversion of marketing funds was conditioned by the obligation of the distributor to follow the standards of the producer in marketing, sales negotiation, documentation in logistic operations, and some other parameters. To master these standards, the distributor opened all commercial reports to the producer, and project work was transmitted to united managerial teams. The managers of the distributor received the same KPIs as the MNC managers, and regular assessments of their productivity were given to the commercial directors of both the distributor and MNC.

> *Of course they (distribution company—by author) want to control marketing funds. They will flip money between customers to cover budget deficits during reporting periods* (Andrew, ex-sales manager without subordinates, working 13 years in a distribution company).

In both the described cases, shared interpretations were offered by a dominant side and developed by both partners. Each side expected special benefits from the same social relations. The multinational producer was interested in shaping the structure of the GVC. Therefore, the company needed to involve local partners in global production. However, the local actors wanted to work with multinational producer only in projects that would be strategically interesting to them. For that reason, both sides participated in a valuation of the preferable relationship types and the degree of embeddedness in their mutual business processes.

Conclusion

The current paper developed the idea that social embeddedness of market relations is formed internally through market interactions. By combining the theoretical approaches of relational marketing and valuation studies, I have proposed that business partners consider social relations as a part of the value produced within the business and that counterparts intentionally affect the format of the social embeddedness in their relations. The empirical results showed that theoretical propositions are grounded in the real works of value chains. According to the conducted analysis, the participants of the GVC evaluated the format of embeddedness as a part of their business process. They discussed the level interdependency as the degree of trust (e. g., the necessity to verify the statistical metrics of a partner) and what agreements should be signed formally. These parameters were viewed as a part of business activities much like the purchasing of goods and market analytics, and they were not regarded as an independent sphere of performance. This supports the theoretical idea of Beckert that economic actions operate as a new form of social ritual [2016]. Social embeddedness is intentionally shaped by market actors, making the general social order more consistent and available for the reflexive performance of ordinary individuals.

However, the results need to be investigated in wider contexts. The current research does not provide information about local supply chains or the exchanges between market participants that do not work in the united supply chain, and there is no information about the place of social embeddedness in a multinational company's board of directors. It is possible to assume that for the listed contexts, the theoretical interpretation will be irrelevant. In the current study, there is relatively little explanation about the work of retailers. The informants from the large Russian retailer and official brand store do not cover all important positions of the business process, such as retailers' logistics, marketing research, and their field workers. These contexts were mostly interpreted based on the data of participant observations and other interviews. Therefore, the formulated view became an outsider perspective, and additional data collection with insiders could enrich the analytical model.

A similar situation appears when interpreting the global strategy of a multinational company. Strategical planning was achieved through data gathering. More global planning perspectives were reconstructed based on the interpretations given by the informants, official documents and messages of the CEO to the whole company include the researcher. These messages represent the viewpoint of top management in a multinational producer, but these messages are related to the limited scope of questions and mostly act as a secondary data source for answering the research questions. Additionally, the studied propositions were analyzed through the work of vertically integrated supply chains. The social relations between the supply side and the consumers of end goods may not be regarded as crucial elements of interactions. Because of the spread of economic knowledge [Knorr-Cetina, Bruegger 2000], consumers can perceive social relations with producers as the result of market imperfections that should be reduced.

At the same time, the theoretical propositions do not deny the significance of institutional shaping of the market or any other relations through social embeddedness. Also, there is no doubt that some social ties exist before economic activities. This implies that the external appearance of social embeddedness is secondary compared with the internal one. Social relations exist as a part of cooperation in economic production, maintain more productive usage of resources, and provide tools for the reduction of transactional costs. If there is no motivation for being dependent on networks and social relations, actors will find a way to reduce the degree of embeddedness. Markets do not become "pure" from social embeddedness nowadays, as empirical studies demonstrate [Uzzi 1996; Radaev 2016].

Finally, the common representation of embeddedness in the value chain creates the question about symmetry in the relations between the participants of a GVC. Both commonly shared concepts of investment and optimization assume that weaker actors will upgrade their share in value production under the governance of stronger ones. The concept of upgrading means increasing the inputs in value creation [Gereffi 2014b]. Hence, the relative power of upgraded actors will rise. The more that weak companies upgrade their positions in value chains, the less power dominant firms will have. It is important to investigate in further research if this trend becomes dominant or if there are other trends that prevent the growth of symmetry in value chains. However, if GVCs really support an increase of the market power of local players, the positive role of global companies in local markets should be considered higher than what is considered in GVC studies [Lee, Gereffi 2015].

Appendix

Table A.1

Characteristics of the Respondents

No	Pseudonym	Firm	Working Experience, years	Functional Role	Hierarchy Level
1	Victor	MNC	13	Marketing	Manager with subordinates
2	Igor	MNC	3	Sales	Manager without subordinates
3	Sasha	Distributor	12	Sales	Manager with subordinates
4	Helen	MNC	7	Sales	Manager with subordinates
5	Kseniya	MNC	4	Sales	Manager without subordinates
6	Andrew	Distributor	13	Field work	Manager without subordinates
7	Ayrin	MNC	16	Sales	Manager with subordinates
8	Henry	Distributor	4	Sales	Director / CEO
9	Ivan	MNC	1	Logistics	Manager with subordinates
10	Oxana	MNC	4	Sales	Manager with subordinates
11	Anton	MNC	21	Sales	Manager with subordinates
12	Stephan	MNC	19	Sales	Director / CEO
13	Bogdan	Large retailer	4	Sales	Manager without subordinates
14	Nina	Small retailer	9	Marketing	Director / CEO
15	Elizabeth	Small retailer	3	Sales	Director / CEO
16	Semen	Distributor	7	Service	Manager without subordinates
17	Ignat	Distributor	2	Service	Manager without subordinates
18	Sabrina	Distributor	4	Marketing	Manager with subordinates
19	Gennady	MNC	14	Marketing	Director / CEO
20	Vladimir	MNC	2	Field work	Manager without subordinates
21	Janna	Distributor	8	Field work	Technical specialist
22	Irene	MNC	7	Sales	Director / CEO

Table A.1

No	Pseudonym	Firm	Working Experience, years	Functional Role	Hierarchy Level
23	Maria	MNC	4	Logistics	Manager without subordinates
24	Harold	MNC	3	Service	Technical specialist
25	Savelij	MNC	7	Logistics	Director / CEO
26	Artem	MNC	16	Service	Manager without subordinates
27	Adrian	MNC	11	Sales	Technical specialist
28	Olga	MNC	2	Sales	Technical specialist
29	Brian	MNC	1	Sales	Director / CEO
30	Yuri	MNC	3	Marketing	Manager without subordinates
31	Marat	MNC	18	Sales	Director / CEO
32	Kirill	MNC	4	Marketing	Manager without subordinates
33	Billy	MNC	4	Sales	Manager without subordinates

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