DELEGATION OF RESPONSIBILITIES AND DECISION-MAKING AUTHORITY IN A LOW TRUST COUNTRY

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**ABSTRACT**

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**Research question:** What kind of responsibilities and decision-making authority do managers delegate in a low trust country?

**Purpose:** The purpose of this paper is to study delegation in a low trust country. Since many scholars have demonstrated how the level of trust in a country is influencing the organizational structure and the locus of decision making authority in companies, the aim is to go in depth and study what kind of responsibilities and decision authority managers in one of the low trust countries delegate to their subordinates.

**Method:** For the study, a qualitative research is used since the focus is on exploring and understanding what kind of decisions managers in a low trust country delegate and since the studies found on this phenomena were of quantitative nature and did not give any specific information on what is and what is not delegated. The qualitative approach used to collect the data is the semi-structured interview.

**Conclusion:** In a low trust country responsibilities and tasks are mainly delegated but not that much decision authority. Managers are delegating responsibilities as constructing the budget, the job description, interviewing, monitoring and evaluating employees, doing market research on suppliers and on promotion channels etc. As for decision authority, this is delegated just in the cases of promotions, choosing the person to be hired, handling customer complaints and negotiating sales terms. No decision authority is delegated in situations that have a financial implication for the company.
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1. Introduction

1.1 Background of the study

A very interesting topic in today's literature is how a country's social trust influences the organizational structures of companies. Social trust is a characteristic of a society and is given by how individuals perceive the trustworthiness of the society in which they live (Delhey and Newton, 2003). In countries like Netherlands, Denmark, Norway approximately 60% of the population admits having trust in others in contrast with Brazil, Turkey, and the Philippines where just 10% of the inhabitants trust their peers (Rothstein and Uslaner, 2005). Thus, a society can be characterized as trustworthy or untrustworthy, or as for how Fukuyama (1995, cited in Ahmed and Salas, 2008) referred to, high trust and low trust societies.

Organizations exist with the purpose of achieving performances as a group that one person is not able to achieve individually (Tran and Tian, 2013). Nowadays, companies must find the organizational structure that best fits the industry in which the organization operates, its size and its environment. Organizational structures have to follow clear paths especially in regard to where and how decisions in organizations are made, in order to reach the organizational goals (Tran and Tian, 2013). An important point on manager’s agenda is, however, how to balance and find the right place for the decision. The choice is between locating the decision authority at higher levels in the hierarchies, when little or no authority is delegated to subordinates, a phenomena known as centralization; or to increase the load of responsibilities and delegate decision power to subordinates from lower levels in the organizations, meaning that decentralization is adopted (Mintzberg, 1979, pp.181-186; Jones, 2013, pp.125-127).

This paper is related to the newly emerging literature on trust and delegation, in particular, the articles of Bloom, Sadun and Van Reenen (2012), Athanasouli and Goujard (2015) and Gur and Bøjrnskov (2016). In these recent studies, social trust has a strong influence regarding the locus of decision making authority in the hierarchy. In high trust societies, there is a tendency to decentralize while in low trust countries centralization of decision-making process is more common, as corruption is more practiced as well (Athanasouli and Goujard 2015). If the level of trust is high, the shift of decision-making authority from superiors to subordinates is more likely. Fukuyama (1995, cited in Gur and Bøjrnskov, 2016, p.2) summarizes this issue as follows: “A high-trust society can organize its workplace on a more flexible and group-oriented basis, with more responsibility delegated to lower levels of the organization. Low-trust societies, by contrast, must fence in and isolate their workers with a series of bureaucratic rules”.

As the studies of Bloom, Sadun and Van Reenen (2012), Athanasouli and Goujard (2015) and Gur and Bøjrnskov (2016) draw to the conclusion that low trust societies are implementing centralized structures in organizations and high trust societies are relying on decentralized organizations, an important point that was not discussed in these papers is the actual responsibilities and decision making authority that managers are delegating. Because of the fact that these studies were done by using a quantitative method, the results were just the support for hypothesis and not descriptive explanation regarding delegated responsibilities and decision
making authority in low trust or high trust societies. Therefore, the authors of this study are relying on a qualitative data collection and analysis to bring more clear explanation and examples regarding delegation of authority.

In the leadership literature, Yukl (2010, p.149) is describing delegation as “the assignment of new responsibilities to subordinates and additional authority to carry them out”. These issues that are delegated and upon which subordinates have decision-making authority, he upholds that can be tasks relevant to the subordinates career, appropriate in difficulty, urgent but not priority and the ones not central to the manager’s role. On the other hand, tasks that are difficult for employees, which mistakes are highly visible and decisions that are very important and involve confidential information, are not delegated (Yukl, 2010, pp.149-156). As it is shown here, Yukl’s approach is not really specific. Other authors (Ghertman, 1984, pp. 4-7; Montana and Charnov, 2000, p.92), contrary, classify decisions in a company in three categories namely strategic, administrative and operational decisions, explaining where in the hierarchy are each of them usually taken and giving some useful examples.

As strategic decisions are claimed to be made at high levels in organizations, they are not a subject of interest in this research, as no matter if a country is a low trust or high trust, respectively with centralized or decentralized organizations, the strategic decision will still be held by top management. The other two decision types presented by Ghertman (1984, p.7) and Montana and Charnov (2000, p.92), administrative and operational, are of interest as the authors expect that the authority on these types of decisions in low trust countries might not be delegated.

In order to narrow down the research area, low trust countries have come to the attention of the authors, but important to be noted is that in this study low trust societies are the context in which the research is made.

1.2 Research question

What kind of responsibilities and decision-making authority do managers delegate in a low trust country?

1.3 Purpose

The purpose of this paper is, therefore, to study delegation in a low trust country. Since many scholars (Bloom, Sadun and Van Reenen, 2012; Athanasouli and Goujard, 2015; Gur and Bøjrnskov, 2016) have demonstrated how the level of trust in a country is influencing the organizational structure and the place of decision making in companies, the aim is to go in depth and study what kind of responsibilities and decision making authority are managers in one of the low trust countries delegate to their subordinates.
1.4 The structure and logic of the paper

This paper continues with chapter two, on the theoretical framework. To ease the reader, the theoretical framework begins with an introduction to the concept of trust and implicitly to high and low trust societies, which is the context of this research. Then, a detailed explanation about how trust is influencing the organizational structure of a company is presented, this being the background and the starting point of this study. For the purpose of the paper, the subject of centralization and decentralization are next discussed in more detail. The chapter ends with the focus of this research on delegation and decision types. The third chapter is the method, which begins with the qualitative research approach and design used, together with the motivation behind it. The chapter continues with a description of primary data collection done through semi-structured interviews. Then comes the construction of the interview guide and the reason for choosing those specific questions. Further, the measures taken into consideration to properly fulfill the research are described, together with issues of ethics, reliability, and validity. The method chapter ends with a brief explanation of how the primary data was analyzed together with limitations which this type of research approach encountered. The fourth chapter is a presentation of research findings after a thorough analysis of the primary data collected. The fifth chapter is a discussion where the findings of delegation of responsibilities and decision authority are analyzed and connected with the theory presented. The paper ends with conclusions drawn from this research and with a proposal for what future studies can explore and benefit from.
2. Theoretical framework

2.1 The concept of trust

The concept of trust has been studied in different fields such as sociology, psychology, philosophy, political science, economics, and management. Trust is an important contributor to personal life satisfaction as happiness, optimism, well-being, health, and education but also influences the civil society, community, economic growth and prosperity (Delhey and Newton, 2003). Misztal (1996, p.1) defines trust as: “essential for stable relationships, vital for the maintenance of cooperation, fundal for any exchange and necessary for even the most routine of everyday interactions”

Lewis and Weigert (1985) recognized that trust has a multi-faceted character being spread on three distinct dimensions such as cognitive, emotional and behavioral. Cognitive dimension implies people having to decide whether to trust or distrust somebody based on what they consider evidence of trustworthiness. The latter is complemented by the emotional base which can bring the severe emotional pain if trust relationships are violated taking into consideration its reciprocity. Behavioral trust represents undertaking the risk that other persons will act with competence when involved in specific situations (Lewis and Weigert, 1985).

2.1.1 Social trust

When speaking about social trust, Delhey and Newton (2003) state that there are two perspectives of its origins. The first recognizes trust as an individual property being associated with individual characteristics while the second view argues that social trust is influenced by the characteristics of social systems (Delhey and Newton, 2003).

According to the first perspective, trust is associated with features such as income, age, education, class or gender. Trust is learned from childhood and prevails later in the lives of individuals. Those that trust others tend to be more optimistic and cooperative. Conversely, distrusters are more pessimistic and skeptical when interacting with others. The ones that have faced problems such as unemployment, discrimination, and poverty tend to trust less than those who have been treated generously during their lives (Delhey and Newton, 2003).

The second perspective towards trust is to see it as a characteristic of the society. It is the result of the culture and institutions that support a trusting behavior and mindset. The level of trust in a country is given by how individuals estimate the trustworthiness of the society in which they live (Delhey and Newton, 2003). Economic inequality and the political context can influence the trust perceived by country’s citizens (Charron and Rothstein, 2014). Studies have shown that in Nordic countries more than half of the population admits having trust in others, in contrast with Brazil, Turkey, and the Philippines where just 10% of the population trust their fellow citizens (Rothstein and Uslaner, 2005).
As presented by Rothstein and other political scientists, the concept of trust can be applied to a whole country (see Appendix 2), not just to individuals, thus high trust and low trust societies will be examined, as the context of the paper.

2.1.2 High trust and low trust societies

Fukuyama (1995 cited in Ahmed and Salas, 2008) differentiates apart low trust and high trust societies, by characterizing low trust societies with corruption, weak public administration and large scale industries built exclusively with the help of the state, while high trust societies are distinguished with big enterprises, which are usually innovative and possess competent management.

High trust societies have better economies, institutions, and economic growth but moreover less corruption and crime (Charron and Rothstein, 2014). Using survey data from 29 European countries, Bjørnskov(2004 cited in Charron and Rothstein, 2014) found that a low level of corruption is correlated with high level of social trust. “Government, especially corruption free and democratic government, seems to set a structure in which individuals are able to act in a trustworthy manner and not suffer, and in which they can reasonably expect that most others will generally do the same” (Delhey and Newton, 2004, p.28). On the other hand, if the government and public officials are not acting in a trustful manner, common citizens can become engaged in unethical behaviors as corruption, nepotism, favoritism, following their model (Charron and Rothstein, 2014).

Natale, Hoffman, and Hayward (1998, pp.35-36) point out that high trust societies are seen as communities that share the same sets of ethical values. In these societies there is no considerable need for legal and hierarchical regulations, is based on mutual trust. Community members prioritize the group’s interest to their own, as empowerment and participation replace the control and supervision (Natale, Hoffman and Hayward, 1998, pp.35-36). Members of low trust societies are more suspicious towards their compatriots, while people in high trust countries have trust for their fellow citizens and everybody is presumed as following the rules (Lewis, 2010, p.145). Low trust societies are common for post-communist countries which also have a history of heavy centralization. Opposite to them, Nordic countries are known for high trust societies and flat hierarchical structures with decentralized decision making authority (Gur and Bjørnskov, 2016).

As the previous authors are highlighting, high trust and low trust societies affect the level of control needed in organizations because of corruption and untrustworthiness matters. Consequently, the type of society (low trust/high trust) affects the organizational structure of a company. In the next section, the relationship between social trust and organizational structure will be presented from the perspective of four slightly different studies.
2.2 The influence of social trust on organizational structure

In low trust countries compliance with rules is enforced because people tend to put their own interest ahead of the groups, thus the workforce is strictly controlled by managers. Employees are not trusted that they conform with the organizational ethics so in order to ensure the adequate execution of tasks, formalized, centralized and hierarchical structures are implemented (Natale, Hoffman and Hayward, 1998, pp.35-36). Fukuyama (1995, cited in Gur and Bøjrnskov, 2016, p.2) also affirmed that: “A high-trust society can organize its workplace on a more flexible and group-orientated basis, with more responsibility delegated to lower levels of the organization. Low-trust societies, by contrast, must fence in and isolate their workers with a series of bureaucratic rules”.

In recent years new researches were conducted regarding the influence of social trust on manager’s decision in centralizing or decentralizing the decision making (e.g. Cingano and Pinotti, 2012; Bloom, Sadun and Van Reenen, 2012; Athanasouli and Goujard, 2015; Gur and Børnonskov, 2016). All of them are having as basis the idea of the political scientist and economist Francis Fukuyama, who described the characteristics of low trust and high trust societies more than 20 years ago.

Based on agency theory, Miller (2001) argues that employees (the agent) can sometimes fool the principal (employer) and act in their self-interest, in which case the hierarchical control should be increased. Cingano and Pinotti (2012) are also building their research on agency theory. They support that if trust is the answer to principal-agent problems and in consequence decentralization of decision-making authority will increase, high delegation industries will be more affected than low delegation industries. Their findings show that trust indeed expands exports and firm size more in intensive delegation industries relative to those industries where delegation is not intensively practiced.

Previous research made by Bloom, Sadun and Van Reenen (2012) regarding MNE’s and social trust indicate that firm with headquarters in high trust regions tend to be more decentralized (Bloom, Sadun and Van Reenen, 2012). They affirm that: “When trust is high, plant managers tend to solve problems <<correctly>> (rather than, for example, stealing from the firm) so that CEO’s are more likely to delegate” (Bloom, Sadun and Van Reenen, 2012, p.1664).

Through their research, Bloom, Sadun and Van Reenen (2012) found that firms operating in northern Europe tend to be the most decentralized in contrast with southern Europe and Asia where centralization is more strongly spread. But in the context of multinational corporations, the level of trust within a region or country does not have that big effect on the management practices within a subsidiary; the influence descends in fact from the headquarters environment.

In Bloom, Sadun and Van Reenen’s (2012) model, the CEO can either delegate, when he or she trust the plant manager, or can be more implicated in the subsidiary and address problems directly when the trust is low, but this will consume a lot of time and attract other disadvantages. They state that lower level managers can tend to act in their own interest. When a CEO suspects a manager for taking bribes and “If the CEO does not trust the plant manager to take
the right action, there will be less decentralization” (Bloom, Sadun and Van Reenen, 2012, p.1668)

While Bloom, Sadun and Van Reenen (2012) approach the subject in the context of multinational enterprises, Athanasouli and Goujard’s (2015) observations are referring to the way organizational structure looks in single establishments. They claim a different reason why low trust characteristics of a society, specifically corruption affect the locus of decision making. By conducting a study on organizations that are contract dependent and situated in corrupt regions, they found that management has a lower quality and decision making authority is more centralized. They argue that the reason for centralization is in fact in the benefit of the top management team. The main justification for this approach is the illegal nature of the corruption. Top managers want as much secrecy as possible so they withhold important operations and especially financial information. In doing so, employee’s engagement in decision making is obstructed (Athanasouli and Goujard, 2015).

In the most recent study on trust and centralization done by Gur and Bjørnskov (2016), trust is seen as a control mechanism for successful delegation, being suggested as a solution for principal-agent problems in the transaction cost economics. From a theoretical point of view, the implications of trust in delegating decisions are various and solve communication issues between strangers, improve corporate governance and enable the transfer of decision-making authority from top managers to lower level employees. Gur and Bjørnskov (2016) found support for their hypothesis and they advocate that in countries where social trust is higher, the delegation of responsibilities and decision making authority is also increased. In high trust countries, managers can take advantage of the delegation, as being a cheap way of decentralization, having the advantage of reduced managerial costs.

As these four studies show, in high trust societies decentralization is common while in low trust societies centralization is more spread. The level of trust found in a society consequently affects the organizational structure of companies. But one thing that these studies are not highlighting is the delegation of responsibilities and decision making authority which if is spread all over a company results in a decentralization, on the other hand, if is kept just in higher levels of the hierarchy result in centralization (Gamage, 2006, p.15). The focus of the paper then is turned to the organizational structure which has a lot of attributes, but more highlighted for the purpose of the thesis are centralization and decentralization.

2.3 Organizational structure

Organizational structure is defined by Mintzberg (1979, p.2) as: “the sum total of the ways in which it divides its labor into distinct tasks and then achieves coordination among them”. Tran and Tian (2013) are arguing that the most important components of the organizational structure on which external influence is exercised are formalization, control, and centralization. Formalization represents the rules and procedures that the employees are provided with, in order to ensure the expected behavior. Organizational control includes processes such as
setting the targets, measuring, monitoring and feedback while centralization refers to the locus of decision making in the hierarchy (Tran and Tian, 2013).

2.3.1 Centralization

Mintzberg (1979, p.181) refers to centralization as when “the power for decision making rests at a single point in the organization-ultimately in the hands of one individual”. Therefore centralization indicates the locus of decision making in an organization (Bozkurt, Kalkan and Arman, 2014). In centralized organizations, the authority to make decisions is concentrated at the top management and just a little or no authority is delegated to lower levels (Ferrell, Fraedrich and Ferrell, 2011, p.198)

Implementing a centralized decision has advantages for the organizations. Centralization is suited for organizations that make high-risk decisions and whose lower-level managers do not possess enough skills for decisions (Ferrell, Fraedrich and Ferrell, 2011, pp.198-199). It improves the coordination inside the companies and each employee knows exactly what his or her job is. By centralizing, managers can keep the organization focused on its goals and can withhold the confidentiality of strategic plans (Jones, 2013, pp.125-127).

On the other hand, constraints of centralized decision authority should be taken into consideration. Managers become overloaded with responsibilities, as a consequence their time for strategic planning is limited (Jones, 2013, pp.125-127). Moreover, they can sometimes make decisions without knowing the day-to-day realities as the lower level employees might do. Within centralization, the decision-making process is more time-consuming in matters which, the information must travel all the way up in the hierarchy and back. Therefore, a delay will occur in responding quickly to the local environment. Other important impediments are the lack of creativity in the organization and the loss of motivation at the lower levels in the hierarchy (Mintzberg, 1979, p.182). Because of the top-down approach and the distance between employees and decision makers, problems of communication may arise and sometimes top managers are not aware of the unethical activity in the organization (Ferrell, Fraedrich and Ferrell, 2011, p.199).

2.3.2 Decentralization

Decentralization is the extent that the Chief Executives will delegate the decision authority among many individuals in the hierarchy (Mintzberg, 1979, pp.181-186). Jones (2013, p.126) defines decentralization as “An organizational setup in which the authority to make important decisions about organizational resources and to initiate new projects is delegated to managers at all levels in the hierarchy”.

Even though both centralization and delegation have their advantages and disadvantages, the ideal situations are to balance between them so lower and middle managers have the possibility to make decisions and that top managers’ occupation is focused on strategic planning. The goal is having a good balance between being innovative and flexible on the short-term and making long-term strategies (Jones, 2013, p.127).
To be consistent with the purpose of this paper, namely investigating what issues are managers delegating, more exactly what kind of tasks and decision-making authority are they assigning to their subordinates, delegation is the prime literature that can answer this question as being a part of decentralization.

Decentralization and delegation are considered related concepts by some authors (e.g. Gamage, 2006, p.14; Pathi, 2010, p.48). Both of the terms refer to the dispersal of decision-making authority in organizations. Delegation occurs when managers assign duties or decision authority to subordinates while decentralization represents the engagement of the organization to the delegation as a whole, so when delegation appears throughout the whole organization, the change towards decentralization occurs (Gamage, 2006, p.14). “Decentralization is thus the result of delegation” (Pathi, 2010, p.48). Or as Mintzberg (1979, p.181) refers to as the decision power being delegated among individuals.

2.4 Delegation

In management literature, delegation is a complex process in which managers assign new tasks, increase the load of responsibilities and attribute authority to their subordinates to act without any authorization (Yukl and Fu, 1999).

An important matter is to not confuse delegation with consultation. In the case of delegation, the decision making authority is fully in the hands of the subordinates in comparison with consultation when the employee can present his or her opinion, but the authority is retained by the manager (Yukl and Fu, 1999). Hence, delegation is not about sharing the power, is about distributing it to others by moving the locus of decision making authority from higher levels to lower levels in the hierarchy (Leana, 1986).

Before addressing the main concerns of this paper is important to go to the roots of delegation and cover the essential question of why managers delegate. Delegation is seen as a tool and has several benefits both for managers and their subordinates (Yukl and Fu, 1999). By delegating, managers will be less overloaded and can have more time to focus on important tasks. Decision quality may also be improved if the person that is closest to the task will be the one responsible, which supposedly is the one that possesses the needed information, knowledge and has more expertise. When an immediate response is required in quickly changing situations, decision quality again can be improved if subordinates have decision-making authority. Important to be noted is that these circumstances need skilled employees. From a subordinate perspective, motivation and commitment to solving problems adequately will increase, but just in those cases when they do not see these additional responsibilities as a burden that is given just to expand their workload (Yukl, 2010, pp.135-137).

Gary Yukl (2010, p.151) identifies several reasons that sit behind delegation. In order of their importance for managers, the following reasonings for delegating are:

- Develop subordinate skills and confidence
Enable subordinates to deal with problems quickly
● Improve decisions by moving them close to the action
● Increase subordinate commitment to a task
● Make the job more interesting for subordinates
● Reduce workload to manage time better
● Satisfy superiors who want managers to delegate more

He also conducted a study where the most usual reasons for not delegating were classified by managers in the following order, starting with the most widely used (Yukl, 2010, p.152):

● Keep decisions involving confidential information
● Keep tasks and decisions that are very important
● Keep tasks and decisions central to their role
● Keep tasks for which mistakes are highly visible
● Keep tasks they can do better than subordinates
● Keep tasks that are difficult to explain to subordinates
● Keep tasks that are difficult to monitor
● Keep tasks that are interesting and enjoyable

These reasons for not delegating are in fact driven from those tasks that a manager would not delegate to their subordinates, thus in this paper, these "reasons" will be considered those types of tasks and responsibilities that managers are not assigning and are not giving authority for.

When it comes to task, responsibilities and decision-making authority that managers delegate, in practitioner literature, was a generous agreement on the following categories (Yukl 2010, p.154):

● Tasks that can be done better by a subordinate
● Tasks that are urgent but not high priority
● Tasks relevant to a subordinate's career
● Tasks of appropriate difficulty
● Both pleasant and unpleasant tasks
● Tasks not central to the manager's role

Among other determinants of the delegation, Yukl and Fu (1999, p.220) bring the concept of trust into the picture: "A subordinate who is dependable and trustworthy is more likely to be consulted for advice and given additional responsibilities". Their opinion is sustained by McLain and Hackman (1999) also, who claim that in order to achieve organizational goals, trust acts as an enabler in sharing power and delegation. Managers take more risks, are more empowering and dare to delegate important tasks to subordinates that they trust more (Brower et al. 2009).

As presented here, trust enables delegation in companies as this further drives to a more decentralized structure, which can be seen as it is manifested at country levels from the studies of Bloom, Sadun and Van Reenen (2012), Cingano and Pinotti (2012), Athanasouli and Goujard (2015) and Gur and Bøjrnskov (2016).
Yukl (2010, p.152) presented a few tasks and responsibilities that managers do not usually delegate and ones that are commonly delegated, together with decision-making authority, but none of them were specific examples of such issues. Another author, Ghertman (1984, pp.4-7) has a different approach to this matter, and gives a more detailed explanation, by categorizing decisions within a company.

2.5 Types of decisions in organizations

When speaking about delegation of decision-making authority, it is to be noted that numerous types of decisions were presented in the literature during the years, but one well-known typology was suggested by Ghertman (1984, pp.4-7), who identifies the following types: strategic, administrative and operational decisions.

- **Strategic decisions** determine the orientation and the goal of the organization and are usually made at the highest levels in an organization (Ghertman, 1984, pp.4-7). Ackoff (1990, p.523) defines strategic decisions as: "set objectives for the organization as a whole, relatively long-range objectives, and formulate policies and principles intended to govern selection of means by which the objectives specified are to be pursued". Examples of these decisions can be: adding a new product line, new services, diversification of activities, forward or backward integration, internationalization, restructuring and adoption of new technologies (Ghertman, 1984, pp.4-7).

- **Administrative decisions** regard employee activities and provide specifications or changes in the organizational context. These decisions build tactics in order for the company to reach the strategic objectives determined by top managers (Ghertman, 1984, p.7). Such decisions are usually made at the middle management level (Montana and Charnov, 2000, p.92). Benefits as rewards or promotions or disciplinary measures like sanctions are involved. Other administrative decisions can be hiring personnel or allocating budgets (Ghertman, 1984, p.7).

- **Operational decisions** are concerned with the immediate future and the course of daily operations (Ackoff, 1990). Are non-programmed and cannot be seen in advance as the strategic and administrative decisions, so they leave the opportunity for initiatives (Ghertman, 1984, p.7). These decisions are usually made at the lowest or supervisory levels in the hierarchy (Montana and Charnov, 2000, p.92). Examples of operational decisions are: a salesman deciding to deliver a product to his client even though the policy in the firm says something else, allocating personnel to particular jobs, scheduling, setting the level of raw materials inventory, monitoring, marketing activities or ordering new office supplies (Ghertman, 1984, p.7; Montana and Charnov, 2000, pp.92-93).

Administrative and operational decisions are going to be the ones investigated in the research. With the help Ghertman’s (1984, p.7) examples regarding these types of decisions, the questions for the interview guide will be constructed as well. Strategic decisions are usually
taken by top managers and because the study is conducted in a low trust country, the probability that these are going to be delegated is low, so they are not of interest.

2.6 Summary

Social trust is the result of the culture and institutions of a country. This leads to high trust countries if the citizens estimate as trustworthy the society in which they live and low trust countries if not. Because of this, companies in low trust countries tend to be more centralized and have more rules and formalization, while those from high trust countries are more decentralized and more decision authority is delegated to lower levels in the hierarchy. Thus, decentralization occurs when more decision authority is delegated, so decentralization is the result of delegation. It is very important to not confuse delegation with consultation; if the employees can present their opinion but the decision authority lies in the hands of managers, there is no delegation. Three types of decision can be found in an organization, specifically strategic, administrative and operational decisions. Each of them is usually taken at certain levels in the hierarchies, strategic decisions by top managers, administrative decisions by middle managers and operational decisions by the lowest or supervisory levels in a hierarchy. Since it is known that companies in low trust countries tend to be more centralized, this study will focus on what kind of administrative and operational decisions authority and responsibilities are delegated in a low trust country.
3. Method

3.1 Research approach

In this paper, a qualitative research approach is used since the focus is on exploring and understanding what kind of decisions managers in low trust countries delegate and since the studies found on this phenomena were of quantitative nature and did not give any specific information on what is and what is not delegated. By using a qualitative research method the authors can better understand the delegation problem especially from the respondent's point of view. In addition, this type of approach fit better to the research question, rather than a quantitative one which is used for analyzing statistical data or testing hypothesis (Bryman, 2012, pp.35-36). Moreover, because the authors wanted to be close to the data and have insights from managers, qualitative research was again the answer.

An inductive approach was implemented to this study in order to examine previous research on centralization and decentralization in low trust respectively high trust countries from a different perspective, as an in-depth study of what decisions managers in low trust countries delegate. As Bryman (2012, p.12) mentioned, inductive approach to qualitative studies is specific, as it usually uses research questions in order to narrow the aim of the study. By using an inductive approach, it allows the study to take conclusions based on the empirical observations (Bryman, 2012, p.12).

3.2 Research design

For this study, the authors opted for a low trust country to the detriment of a high trust country as the background and context of the research. As mentioned in the aim of the paper also, the authors expect that in a low trust country even administrative and operational decisions are centralized and not delegated to middle managers and their subordinates.

Romania is the case country from which the data was gathered, as several studies (e.g. Rothstein and Uslaner, 2005; Rothstein and Eek, 2009; Bloom, Sadun and Van Reenen, 2012; Charron and Rothstein, 2014) showed that Romania together with France, Turkey, Greece falls in the category of low trust countries. One of the main reasons for choosing this specific country is because of the background of the authors, Romania being the country of birth and as a consequence, the interest in the whole phenomenon was bigger. Furthermore, the accessibility of primary data collection was also the main reason for choosing Romania as case country.

As presented by Bo Rothstein, a Swedish political scientist, Romania is a low trust country with high corruption. The level of Romania's corruption can be checked on the website "Transparency International", the global coalition against corruption. In the Corruption Perception Index from 2016, Romania occupies the 57th place from 176 countries, having a score of 48/100, where 0 means highly corrupt and 100 means very clean. On the same place
with Romania are Jordan and Hungary, while the first places are taken by Denmark, New Zealand, Finland and Sweden (Transparency International, 2017).

The qualitative approach used to collect the data is the semi-structured interview, which was more likely realizable then a focus group with multiple managers, or observation which would have required more time spent on the field and more cooperation from the organization’s side. Mainly for convenience reasons but also because the interview is the most widely used method in qualitative research which provides direct information from people according to their opinion and experiences (Bryman, 2012, p.469), interviewing was the method that fitted this research best. This could enable observation about the phenomenon occurring among respondents but also the possibility of observing eventual differences between them. Even though timeframe and geographical limitations for this thesis existed, the authors overcome them by starting and thinking the possibility of collecting the data early.

3.3 Primary data collection

In order to collect in-depth data to reach the purpose of this thesis, the research is mainly constructed around data of primary nature. As mentioned before, the procedure of collecting qualitative primary data rotate around face-to-face interviews, with managers in Romania, in order to enable a wider and analyzable set of data.

The authors wanted to avoid any rigidity that a structured interview guide might have given and approach the respondents in a way which would offer them freedom to speak and express themselves. By using semi-structured interviews answers that might have been missed in a structured interview, will most likely appear due to the amount of flexibility that the respondent has in developing his or her answers (Bryman, 2012, p.471).

The procedure leading up to the interviews started with a contact through e-mail between the authors and respondents and information about the study was presented. Further on, after the acceptance of participating in the research, the interviews were scheduled through the phone.

The reason why the authors opted mainly for managers as respondents for the interview was that of their overview of the whole organization. If a subordinate from lower levels would have been chosen as a respondent, more probably this person would have possessed relevant and reliable information just regarding the one department in which this works. With their position in the companies, all respondents hold important insights of how different activities in the organization are done and how different decisions are made. Respondent 4 is not in a manager position but is an intern who was rotated in several departments during her trainee program, therefore the authors considered her knowledge and experience as being relevant for the research. Respondent 1, 2 and 4 were chosen according to a convenience sampling, while respondent 3 was interviewed due to a snowball sampling method. The interviews with the first three respondents were face-to-face interviews hold in Targu-Mures, Romania. The last interview, which was scheduled three weeks after the third one, was made through Skype because of the limited time frame and the impediments of traveling again to Romania.
Table 1: The interview respondents

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Position in the company</th>
<th>Company</th>
<th>Date and duration of the interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondent 1</td>
<td>Co-owner and CEO</td>
<td>Car parts seller and auto-service, 40 employees</td>
<td>20th April 2017, 40 min</td>
</tr>
<tr>
<td>Respondent 2</td>
<td>Executive Director</td>
<td>Drug manufacturing and distribution, 225 employees</td>
<td>20th April 2017, 58 min</td>
</tr>
<tr>
<td>Respondent 3</td>
<td>Regional Manager</td>
<td>Cash loans, 800 employees</td>
<td>24th April 2017, 52 min</td>
</tr>
<tr>
<td>Respondent 4</td>
<td>Trainee in a Junior Management Program</td>
<td>Production for automotive industry, 2300 employees</td>
<td>15th Mai 2017, 54 min</td>
</tr>
</tbody>
</table>

Source: The Authors

The first interviews were held at each of the manager’s offices, due to the advantage of a familiar and comfortable environment, which can lead to more honest answers and a more reliable data (Bryman, 2012, p.473). The manager’s personal offices were a great option when it comes to a quiet environment also, which facilitates a good continuation of the interviews. The last interview was made through Skype, both the interviewers and the respondent being home, also in a quiet environment. Because of the difficulty of taking notes during the interviews (Bryman, 2012, pp.482-483), these were recorded on a mobile phone. Further on, the recordings were transcribed in Romanian, the language that the interviews were conducted in.

3.3.1 Constructing the interview guide

When designing the questions (see Appendix 1 with interview guide), any relation to low trust/high trust countries was omitted, this being just the context of the research and any hint about it could have contaminated the data. Direct questions about centralization and decentralization were also avoided because the purpose is not to see if the organizations are centralized or not. As the theories suggested (Bloom, Sadun and Van Reenen, 2012; Athanasouli and Goujard, 2015; Gur and Bøjrnskov, 2016), companies in low trust countries are centralized. Therefore the focus was on specific tasks which can occur in a company and who the person responsible for them is, but more importantly who has decision-making authority over these issues. The types of decisions highlighted in theory were strategic, administrative and operational. As Montana and Charnov (2000, p.92) said, strategic decisions are usually, normally taken by the top management, and the administrative and operational ones by middle managers and their subordinates. Therefore strategic decisions were not a concern for the authors as both in high trust and low trust countries these decisions were taken by top management. Also given the limited time for the interviews that the respondents were available for, the best choice was to focus on administrative and operational decisions. Given the theories that in low trust countries centralization is common (Bloom, Sadun and Van Reenen, 2012; Athanasouli and Goujard, 2015; Gur and Bøjrnskov, 2016), the most interesting aspect of the research is to find out if administrative and operational decisions are also centralized or employees in lower levels of hierarchy have authority on this kind of issues.
<table>
<thead>
<tr>
<th>Interview question</th>
<th>Theoretical connection</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Name, age, gender</td>
<td></td>
<td>Confirm the validity of the respondent that is interviewed for the research question.</td>
</tr>
<tr>
<td>2. What are your position in the company and your professional background?</td>
<td></td>
<td>See if the industry in which the company activates and the size of the company are influencing the result of the research. To locate the decision-making authority on a specific issue in the hierarchy.</td>
</tr>
<tr>
<td>3. Which is the industry sector that the firm activates in? How many employees does the organization have?</td>
<td></td>
<td>Administrative decisions Ghertman (1984, p.7)</td>
</tr>
<tr>
<td>4. Can you describe the organizational structure in your company?</td>
<td></td>
<td>To discover which administrative decisions are delegated and which are not. Who is responsible for certain tasks but also if that person or those persons have decision-making authority also.</td>
</tr>
<tr>
<td>5. When it comes to hiring. Who decides if there is a need for new personnel? Who approves the opening of positions? Who takes the final decision if a specific person will be hired?</td>
<td>Administrative decisions Ghertman (1984, p.7)</td>
<td></td>
</tr>
<tr>
<td>6. What are the steps in a promotion process? How about a salary raise?</td>
<td></td>
<td>To discover which operational decisions are delegated and which are not. Who is responsible for certain tasks but also if that person or those persons have decision-making authority also.</td>
</tr>
<tr>
<td>7. What happens when an employee does not fulfill his or her job responsibilities? Who decides the disciplinary measures applied?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. When it comes to training on sales for example, what is the process from idea to implementation?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Regarding the suppliers, can you please describe the process, who is choosing them, who is approving the collaboration with them and what happens if a supplier has to be changed?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. What happens when some unexpected expenses arise? (for example, a printer breaks down)?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Who designs the marketing plan? Who chooses the means of promotion? Do that person need approval for implementation?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Who deals with customer complaints? For example, if some products are damaged and need to be replaced, a delivery is late or wrong, how is this situation solved?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. How much authority has a sales person to change the conditions imposed if a situation requires it?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3.4 Ethical considerations

According to Bryman (2012, pp.135-140), when conducting a study, an important aspect represents the research ethics. The study was not done in a harmful manner for the participants, they were asked for revealing privacy information and they were informed about what the research consists of. The overview of the thesis was explained to all the interviewees before conducting the interview. Moreover, the authors asked for permission from interviewees before taking notes and recording the interview. In addition, the respondents were informed that it is up to their will to record their name and age, and furthermore to include them in the paper. By recording the interview the authors assured that no misinterpretation or misunderstanding would appear later on when analyzing the data.

The interviews were conducted in an open style, offering the possibility to the respondents to discuss freely and answer the questions in a manner that best transmitted the reality in their organization. By doing that, the interviewees were not influenced by any suggestions or opinions, thus the result is an unbiased interview.

3.5 Reliability and validity

Two of the most important aspects that have to be taken into consideration when conducting a study according to Bryman (2012, pp.389-390) is reliability and validity.

In order to minimize the risks of differences in perception of what was said, both of the authors were present at all the interviews that were conducted. Moreover, as presented before, all interviews were recorded. These measures were taken into action to ensure the internal reliability of the paper, which handles the aspect of reaching agreement within the team, regarding what is heard and seen (Bryman, 2012, p.390).

Qualitative studies are known to be hard to replicate, especially regarding the social context in which the study is performed (Bryman, 2012, p.390). The external reliability of this thesis is difficult to be measured since the primary data is mainly based on few companies. The results may be hard to replicate also since they can be different in other companies. Even though the study can be applied in another low trust country, factors such as norms, culture and customs may influence the results. Since the interview questions are based on theories collected from peer-reviewed journals and books from the school's library, the study can be replicated but is unlikely that the exact same results will be found.

In order to ensure the internal validity, the research was conducted in a low trust country, according to its purpose. The respondents were top managers, that have the best view in a company of how activities are handled and one trainee student that also has an overview due to the fact that she worked in multiple departments. When the questions were constructed for the interview guide, any suggestions regarding the literature on low trust/ high trust countries and centralization/decentralization were omitted in order to not influence the respondent's answer.
and implicitly the results. The authors believe that the research has internal validity as this refers to a good match between observation and theory (Bryman, 2012, p.390).

The limited number of participants in this research is an impediment and it does not permit a generalization even though all companies belong to the same social context, a low trust country. However, in order to generalize the answer, there is a need to conduct the research with more managers from a low trust country, and especially with managers from different low trust countries. Concerning the external validity, it is known that is a problem for qualitative studies and especially for those of small scale like the present one (Bryman, 2012, p.390).

3.6 Analyzing the primary data

In order to simplify the analysis, the empirical findings were divided into areas that correspond to the types of decisions described by Ghertman (1984, p.7), namely administrative and operational decisions. Different activities in the organization were added under each type of decisions. For example, hiring decisions are administrative ones, but this activity of hiring can be divided further in the need for an extra employee, the advertising for the vacant post, the interview. Another example can be related to marketing, which is part of operational decisions; doing the marketing strategy, finding promotion channels etc. The respondent answers were followed in order to see who is responsible for realizing these tasks and activities and if that person has the final decision authority to implement it or not.

The transcripts were coded by assigning notions that have theoretical significance (Bryman, 2012, p.568). First were detected the tasks, after the responsible person for it by this seeing if the responsibility is delegated or not and finally if the decision authority is delegated together with the task or not. An important aspect was to identify if the responsibilities and decision authority were owned by top management, middle management or lower level management and their subordinates, so the authors can connect the findings to the theory and answer the research question.

3.7 Limitations

Several limitations regarding the method choice and the collection of data can be noted and should be taken into consideration in this thesis. Even though a personal connection existed between the authors and some of the interviewees, the possibility of biased answers was sought to be overcome as much as possible, by conducting the interviews in a professional manner and by not informing in advance the respondents about the interview questions. The fact that the country in which the research was done is the authors country of birth, this might have led to a certain perception of the country’s social trust and delegation of authority. In order to be unbiased, this was meant to be eliminated by recording the interviews and analyzing the data by using the relevant theories to minimize personal perception, subjectivity and eventual preconceptions. A qualitative study was appropriate for the purpose and the limited timeframe, but this research would have been more beneficial and generalizable if a larger amount of tasks, responsibilities and decision-making authority could have been verified. Therefore, the authors
consider that a preliminary observation of the researched companies would have been beneficial in order to construct a larger series of activities to be investigated.
4. Findings

In this section, a summary and the translation of the interviews conducted in Romanian as primary data will be included.

4.1 Company 1, Targu-Mures, Romania

The first interview was a face-to-face interview, conducted with Respondent 1, who is the Co-Owner of a car parts seller and auto service company in the Mures County. He is present in the company for 20 years since he and his sister founded it and nowadays the company has around 40 employees. The interview was held at his office in Targu-Mures on 20th April 2017 at 13:30, having duration of 40 minutes.

**Administrative decisions**

When it comes to hiring, the opening of new positions in the company is decided by the two owners. There is no HR department in this company, being too small, and the owners are not collaborating with recruiting companies because of negative past experiences. The employees are encouraged to come with suggestions if they have any acquaintances and to spread the word that there is a vacant position in the company. The interviews are taken by the owners and they are the ones that decide if the applicant will be hired.

The promotions or salary raises are proposed by the store and auto-service responsible which have an overview on all employees. The decision on salary rises is made by the owners.

On the other hand if an employee does not fulfill its responsibilities and makes mistakes on the job, like for example a very expensive remote control was lost in the auto-service, the owner decided that the price of the remoter will be drawn from each and every employs salary, inclusively the auto-service manager which is responsible for the others.

Training for the employees is not a usual activity in this company. They happen rarely just in cases when the seller of an equipment will want to present and teach the way in which that works and must be handled and used. In the case of such an opportunity, the owner of the business decides if is necessary for the mechanics to participate or not.

Regarding the market research on suppliers, the employees are delegated on segments to analyze the market and find the best prices and qualities for the needed materials. Then they present the choices to the owners, but the decision on which suppliers are they going to collaborate is taken by the two owners.
Operational decisions

For unexpected expenses, there is no budget that the employees can use. Anything that must be bought the owners must be consulted. For the warehouse the shop manager is responsible, but if there is a need for supplies he needs approval from the owner. The auto-service manager is responsible for the equipment for auto maintenance and repairs. He can buy new equipment, machinery, and tools but just in a predetermined price range. He can come with suggestions for more expensive types of machinery and his opinion is taken into consideration, but the owner has the final word in the purchasing.

The company is too small, with just 40 employees there is no marketing department. When the company opened, for the whole promotion the two owners were responsible. Now they say that are known on the market and do not need to advertise themselves.

For customer complaints are responsible the mechanics in the auto-service and the sellers in the retail shop. For example, if a car piece is returned by a customer the mechanic or seller can accept it back if is not used and is not custom made.

The sellers from the retail store and the mechanics from the auto-service can make special prices for specific customers. If the customer is regular they can offer discounts, or if somebody purchases in a batch or makes a big order they can again offer discounts. The sellers are also allowed to deliver products before payment. But even though they have the responsibility to evaluate the customers and are allowed to make special prices for them, all these discounts are preset by the owners who give clear instruction regarding the discounts policy.

4.2 Company 2, Targu-Mures, Romania

The second interview was a face-to-face interview, conducted with the Executive Director of a drug producer and distributor. Her professional experience in the company started 25 years ago when the company was founded and for 6 years she has had the Executive Director position in the company. Their organization reached today 225 employees. The interview was held at her office in Targu-Mures on 20th April 2017 at 17:15, having duration of 58 minutes.

This company has 3 shareholders. Next after them in the hierarchy are the CEO and Executive Director(ED). The Executive Director is in charge of HR, support, financial, controlling, quality departments and security and health at the workplace. The General Director is responsible for the trading part of the company, logistics, production, sales.

Administrative decisions

Starting from September, each year, each department manager (DM) is working on the next year’s budget for his or hears department. They are including in the budget even the need for the new workforce. The budget for each department is presented to the Executive Director and
the she must analyze if the budgets are in trend with the five-year plan that the tree shareholders made. If the budgets are in trend the Executive Director is approving them. The month that a department manager needs an extra employee, he together with HR is designing the job description and the advertisement, no further approval is needed from now on. If there is a vacant manager position, the job description with all the specific requirements for the job is done either by the Executive Director or by the CEO depending on whose area is that person going to work. But the top management is not intervening in the department manager's decision on who to hire because she said that that person knows better who he/she need in order to achieve the goals.

If an employee is entitled to be promoted, the manager of the department in which the person will promote has a discussion with the employee's current supervisor for a detailed analysis of that person's performances. The final decision on promotion will be in the hands of the department manager who wants the employee.

This company has a payroll policy. The HR department is in charge of researching the market and be constantly aware of what are the salaries in this sector. They must analyze and present the market prices on labor pays to the Executive Director, and she together with the CEO is deciding on which salaries must be raised.

There are annual employee evaluations which can place a worker between 100%-80% (good performance results), 80%-70% (not really good performance) and 70%-60% (poor performance). Each department manager must have a face-to-face discussion with the employees and point at their weaknesses and send them to training. It is up to each department manager if they move the employees to a lower salary scale in case of bad performances. The DMs have the right to decide on the KPI which measure the subordinates performances and even alter them. They can change the job responsibilities and rotate employees on different positions.

Each DM is responsible for organizing the right training for their subordinates. The approval for training in each department is made at the end of each year when the budgets are approved. Training sessions for managers are approved also at the end of the year for the upcoming year and for this responsible is the Executive Director, which together with her assistant and a person from HR are organizing everything. If there is budget overrun for a training, the DM must get approval from the Executive Director or CEO.

Each and every cooperation with suppliers is decided by ED or CEO depending on which department is needed. The responsibilities of each DM are to make a market research and come up with three deals. These are presented and explained to one of the directors and approval is needed for the start of a collaboration with suppliers.
Operational decisions

If any unexpected expenses arise the DM must be informed. He is the one that must evaluate the situation and see if these expenses are included in the budget or not. If for example, a computer breaks down he is the one responsible for finding a solution, repair the computer or replace it. He can consult with the IT department and evaluate which solution fits best. If there is a need for money that is in the budget he still needs a signed approval from one of the directors if the expense is not in the budget the approval will take longer.

For the marketing plan, the Marketing Department manager is responsible. She must make the budget which is approved by the ED. From there on the Marketing Manager is responsible with all that lies in the marketing plan. She can take decisions on means of promotion and so on.

Customer complaints are done online on the company’s website and there is a person in charge for the remedies. This person must analyze and investigate each complaint and come with a solution. She is contacting the Sales Manager just in special cases when she is not able to solve the situation, otherwise, she is the one taking decisions.

The people from the sales department are able to negotiate the selling prices and make discounts if they consider that they can win a customer, they have room to be flexible and have decision making authority.

4.3 Company 3, Targu-Mures, Romania

The third interview was again a face-to-face interview, conducted with the Regional Manager of a subsidiary that offers cash loans. Her working experience consists of more than 15 years in leading positions and she was Regional Manager for 8 and half years, having in her area of control 8 branches. Their organization has today around 800 employees nationally. The interview was held at her office in Targu-Mures on 24th April 2017 at 8:00 having duration of 52 minutes.

Respondent 3, as a Regional Manager, is under the supervision of the Sales Director. After her in the hierarchy comes the Area Managers which are each in charge of a branch and the fourth level is occupied by the Development Managers who are responsible for inspecting the sales agents. Being a Regional Manager she is in charge of eight branches, she must administer everything from staff recruitment, employee evaluations, audit and administrating the back-offices. She explained that by having around 100-150 subordinates in her charge, she needed KPIs to keep track of everything was happening. After these control systems were implemented with the help of the Area Managers she could leave them in charge to continue her work and be innovative to find better ways of solving problems and to develop them.
Administrative decisions

For hiring an extra employee at one of her branches she must follow the policy of the company. All the work and all of the operations are normalized so she can hire an extra person when the branch has 3500 customers. In this case, the procedure is that she sends a requirement for extra staff to the HR department and if everything is according, the HR will approve. The HR department is in charge of promoting the vacant job on websites and filter the incoming CVs. The remaining CVs are sent to the Regional Manager and she filters them again and does around 20-25 interviews to find the right person for the job, after deciding which to hire. The hiring procedures are after done by the HR department. If a replacement is needed for a pregnant employee there is no need for further approval, the department managers have the authority.

There is a policy for no promotions in this company. If there is an unoccupied post this is first advertised inside the company and everybody had the chance to apply. The interviews are held by three people. One from the HR department, one from the department in which the job is available and one from a different department for transparency. These three people decided who is going to take the position.

When an employee is not fulfilling its responsibilities, the respective manager together with HR is conceiving a 3-month plan and the employee is monitored. To train the people in the organization, they have made a training department separate from the HR department, which together with the Sales and Marketing Director is deciding where and when is a need for training. Trainings are of three kinds, the standard ones, the ones that were required by department managers and the ones imposed by a big change in the legislation.

Operational decisions

If unexpected expenses arise, these could be just because of legislative changes. For example, the legislation changed and thousands of contracts must be reprinted in a correct form. For these expenses the regional managers have decision-making authority, they are not informing their superior. Anything else that is an unexpected expense is already in the budget. Each Department Manager is responsible for making the budget for the next year and to explain it and discuss it with the CEO. The CEO then can approve the budget if was satisfied.

The marketing plan is made by each Regional Director and up to a specific amount, the Marketing Director is revising them and deciding if is going to be implemented or not. If even a larger amount is involved than the Marketing Director has authority for, the CEO must give approval for implementation.

If customer complaints are about money return the first level of bosses in the hierarchy, for example, the Development Managers, the ones that are direct supervision the sales agents can approve the return of money. Usually, the person responsible for a customer’s complaint is obliged to solve the complaint. If in 48 hours this complaint is not taken care this travel up to the
employee’s boss, who also has 48 hours to solve it. In 5-6 days the complaint can reach the
president of the company.

The people that have office work in the 8 branches have to monitor the contracts and see where
the most of the mistakes are done. The Regional Manager cannot be in all the places at once,
so she usually starts projects with people and then uses KPIs to monitor and verify them.

The sales agents are the ones that have to go from door to door to sell the loan. They must
follow the procedures when on the field. They can approve loans just in a specified money
range. If the loan is over this limit, the Development Managers are those deciding over it. For
the sales agents, the Regional Managers had developed KPIs, rewarding systems and penalties
to make sure that they respect the procedure and are not defrauding the contracts.

4.4 Company 4, Blaj, Romania

The last interview was conducted through Skype, with a trainee in a Junior Management
Program of a subsidiary that is producing for different industries, the main being automotive.
She is working with the company for more than one year, being rotated in different departments
with the main focus of fulfilling different managerial tasks. The organization has 2300 employees
today and is in a continuous expansion. The interview was held on 15th May at 20:00 with
duration of 54 minutes.

This entity has two top managers; one is in charge with the commercial side of the business and
the other with the technical one. Right after them in the hierarchy is the middle management,
consisting of the department managers. The organization has the following departments:
logistics, HR, finance, quality, controlling IT, sales and production. The production department is
divided into two main production lines. Each production line is structured in project teams.

Administrative decisions

The need for employees is included in a budget which is made in August by each Department
Manager (DM) or when it comes to the production department, the budget is done by Project
Managers. The budgets are approved by the business unit in Germany. The interviews are done
by DM, from the department in which the candidate is applying, together with one or two
employees from HR. Regarding the person who is going to be hired, the decision is taken within
the group of interviewers but the one that influences the decision the most is the DM.

The promotion of a person in the company is usually done through their development programs.
DM are proposing employees for possible promotions, and the top management is deciding
according to each person’s argument. If lower levels employees are to be promoted, the
decision can sometimes be taken by each DM.

When an employee is not fulfilling his or her responsibilities a person from HR is doing an
investigation. Further, a committee formed by a few people from HR and a few from leading
positions from the company are discussing with the person concerned and a decision is made regarding the disciplinary measures to be taken.

The budget for training is included in the annual budget which is made by each DM or PM and must be approved by the business unit from Germany. Furthermore, each DM decides which of its employees need to be sent to training or participate in a development program depending on the employee's performance and on how the manager evaluated him or her. Subordinates can also request training but the DM’s must approve. Everything regarding suppliers is decided by the business unit in Germany.

**Operational decisions**

For unexpected expenses is a budget as well. The DM is responsible for ensuring that he sticks to the planned budget. If the expenses do not exceed the budget the DMs or PMs do not need approval from higher instances in the hierarchy. Even to go over the budget is their decision, but they must argument when they are doing the forecast and most probably they will have to cut costs, like fewer trainings for example.

In their establishment, they do not have a marketing department, but one of the activities in the human resources department is staff marketing, for their current employees but also for promoting outside the company the available positions and programs. In this case, one of the employees from the department comes with proposals and ideas about what promotional channels to use. In order to be implemented the HR department manager needs to give his approval.

An employee from the logistics department is receiving the complaints from customers by e-mail. She is responsible for building a case in order to see where did the problem come from and if they are liable to return or pay back to the customer. After doing the research, the case is presented to the logistics manager who decides if the measure will be applied or not.

The sales department is divided into different areas geographically dispersed. The sales agents, according to the value of the contract, are able to change the payment terms. When large amounts of money are involved they must report to their supervisor or middle managers and ask for approval to modify the contract terms. Otherwise, they have total responsibility and decision authority in their field.
5. Discussion

The study has been researching what responsibilities are managers delegating in a low trust country and if the responsible person for doing that task has decision-making authority as well. In this chapter, the empirical findings are tabulated and compared with the theoretical framework which can be found in Chapter 2. First, each activity within the company is analyzed with the help of Ghertman’s (1984, p.7) and Montana and Charnov’s (2000, p.92) theories on administrative and operational decisions and information about delegation and decision-making authority from Yukl and Fu (1999) and Yukl (2010, pp.149-156). Second, each activity is compared between the companies, highlighting the differences or similarities between them. When analyzing the data, the main variable that is taken into consideration is the size of the organizations, as one has 40, another 225, the next around 800 and the last 2300 employees. The fact that two of the companies are self-establishments and the other two are subsidiaries part of two different multinational enterprises is another variable that may have an influence on the delegation of decision authority and responsibilities. Finally, the business activity of each company is also regarded as it may affect delegation as well. The discussion is built upon nine activities, divided into two groups, administrative and operational decisions, which were the focus during the interviews: hiring, promotion, and salary raise, disciplinary measures, training, collaboration with suppliers, handling unexpected expenses, marketing, handling customer complaints and sales.

5.1 Administrative decisions

Table 3: The place of decision authority and responsibilities in the hierarchy

<table>
<thead>
<tr>
<th>Hierarchy levels</th>
<th>Hiring</th>
<th>Promoting subordinates</th>
<th>Rising salaries</th>
<th>Applying disciplinary measures</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Opening position</td>
<td>Holding interview</td>
<td>Choosing candidate</td>
<td>C 1</td>
</tr>
<tr>
<td>Top Man.</td>
<td>DA</td>
<td>R</td>
<td>DA</td>
<td>DA</td>
</tr>
<tr>
<td>Middle Man.</td>
<td>DA</td>
<td>DA</td>
<td>DA</td>
<td>DA</td>
</tr>
</tbody>
</table>

Source: The Authors

(Legend: Top Man. = Top Management, Middle Man. = Middle Management, C = Company, DA = Decision Authority, R = Responsibility)
Table 4: The place of decision authority and responsibilities in the hierarchy

<table>
<thead>
<tr>
<th>Hierarchy levels</th>
<th>Training</th>
<th>Suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Approving</td>
<td>Decide who to</td>
</tr>
<tr>
<td></td>
<td>investment</td>
<td>participate</td>
</tr>
<tr>
<td>Top Man.</td>
<td>C 1,2,4</td>
<td>C 1</td>
</tr>
<tr>
<td>Middle Man.</td>
<td>DA</td>
<td>DA</td>
</tr>
</tbody>
</table>

Source: The Authors

(Legend: Top Man. = Top Management, Middle Man. = Middle Management, C = Company, DA = Decision Authority, R = Responsibility, MR = Market Research)

The whole process of hiring in Company 1 is done by the owners, which comes in contradiction with the suggestions of Montana and Charnov (2000, p. 92). The aforementioned authors are describing the administrative decisions, like hiring, as being in the hand of middle managers and not top managers. One of the reasons can be that the company is small, having 40 employees, and the owner may consider that he can manage these operations as well. Even though each of the four shops has a manager, who can be considered as middle managers, they do not have any decision authority in this matter. They, together with their subordinates, can come with suggestions only, for hiring a new staff member, but this case is not at all delegation. This is seen by Yukl and Fu (1999) as consultation.

Neither when it comes to bigger companies, as Respondents 2, 3 and 4 explained, the decision authority for opening a new post is not delegated to middle managers, which in the opinion of Ghertman (1984, p.7), should be the ones that are building the tactics needed to reach the goals set by the top managers. Even though the middle managers, in this case, each department manager (DM) or project manager (PM), are building the budget containing the personnel need, they are lacking the decision authority on implementing it. The authors consider that the size of the companies does not influence the locus of this decision authority in this situation. Top management, or in the case of the fourth company, the headquarter must approve the budget containing the personnel need. An argument for such an approach can be the interest in having under close control the finances. After approving the budget, the responsibility is delegated. By letting the department managers make the job descriptions, interviewing the candidates and choosing the right person for their department, the decisions can be improved. Yukl's (2010, p.151) explanation to this improvement is that the decision is moved closer to the place of action. Important to be mentioned is that in Company 4, the decision regarding who to hire in a department is a shared decision between HR and DM. This is not the only shared decision case is this research. In both Company 3 and Company 4, there are several decisions, for example, who to promote and what kind of disciplinary measures to apply, that are also shared. This can be due to the fact that both companies are subsidiaries with headquarters in Great Britain, respectively Germany and an influence can come from this foreign environment. The fact that the decision authority does not lay in the hands of just one person it can be seen also as a precaution taken by headquarters to contract the negative sides of a low trust country. In cases of hiring and promotions, it is well known that in a low trust
country nepotism is practiced, as Charron and Rothstein (2014) are arguing that citizens are following the example of the corrupt public officials.

Promotions and salary raises are suggested by Ghertman (1984, p.7) as being administrative decisions and Montana and Charnov (2000, p. 92) are stating that these also should be taken by middle managers. As it is visible from Table 3, the decision on promotion is high up in the hierarchy in the case of Company 1, although, the owner could have delegated this decision to the four shop managers, because they are in close contact with the other subordinates. Taken into consideration that two of the shops are in other cities, the middle managers are the ones that are fully aware of the employee’s performances. Contrary to Respondent 1, Respondents 2, 3 and 4 confirmed that the final decision on promotions belongs to the department managers (middle managers). This difference can be based on firm size. The owner of the small company repeatedly mentioned that no matter the situation, he and his sister are the ones having decision authority. Being a small family business inherited from his father, the owner seemed very controlling over every aspect. Or as Yukl (2010, p.152) is presenting it, this situation can exist because the owner considers this activity and decision as central to his role.

In the case of salary raises, the decision is in the hands of top management in all four companies, even though the responsibility of inspecting the salaries on the market is the HR’s in the case of Company 2. No matter the size of the company or the industry in which the company operates, this decision authority is not delegated to middle managers because, as the respondents argued, is a decision involving money.

Each department manager is responsible for monitoring, measure the performance of its subordinates and has decision authority for applying disciplinary measures. According to Montana and Charnov (2000, p.92), this task and decision authority has the right place in the hierarchy of Company 2 and 3. Department managers are allowed to rotate the employees on posts, to change their KPI’s and even to lower their salaries if they are not fulfilling their tasks and do not meet the job expectations. By delegating this responsibility and decision authority to middle managers, the top managers can reduce their workload and let the situation be handled by someone close to the problem that knows the subordinate better (Yukl, 2010, p.151). Respondent 1 is again in charge of this aspect as well but he expressed difficulties and frustration when trying to apply any disciplinary measures. He said that he is highly unsatisfied with Romanian laws and public institutions. He states that: “The rights of the employee and the employer are not fair[…]That's how this country is[…]There is no justice” (Respondent 1, 2017). His statement is in accordance with the fact that Romania is a low trust country and this can justify his approach for not delegating decision authority. When it comes to Company 4, the one with 2300 employees, the task and decision authority on disciplinary measures does not belong to each DM. The decision shared between multiple managers, exactly like in the case of hiring as mentioned before.

Again in the small company, Respondent 1 explained that decision authority on participating in training is held by him, even though if in this company training is not a usual development activity for employees. In the middle-sized company, Respondent 2 mentioned that the decision authority for organizing training sessions is held by her as Executive Director and by the
General Director, contradicting what Montana and Charnov (2000, p.92) claimed about the locus of administrative decisions. The rest of the decisions regarding the training though are taken by the department managers. When it comes to an even bigger company, Respondent 3 said that there is an entire department responsible for training the employees and decision authority on organizing training belongs to middle managers, to those from the training department if is a standard training, or to each department manager if is special required training. Is obvious in the case of training that as the company grows the decision authority is delegated to employees is lower levels in the hierarchy.

Company 4 does not follow the growth pattern. Middle managers do not have decision authority on organizing training sessions. The budget for this is included in the annual budget which must be approved by the headquarters in Germany. DMs, as Respondent 4 explained are only deciding who is going to participate in training. This decision, as Yukl (2010, p.154) is explaining is one for which the DMs possess the most relevant information about the subordinates, as they are the ones closely monitoring them, evaluating their performance and spending the most time with them.

Leana (1986) is arguing that delegation is not about sharing the power but is about handing it over to people in lower levels in the hierarchy. Although at first impression it seems that in Company 2 hiring, salary raises and trainings are delegated to middle managers, it is not so. The decision authority on opening new positions in the department, on raising salaries on specific jobs and on the need of trainings, in the middle sized company of 225 employees is not delegated by top management to middle management. The failure in delegating such decision authority to department managers can affect the performance of the department in the sense that the department manager is the most aware of the workload of his subordinates and of their capabilities. Even though the decision is not delegated on these activities, responsibility for planning, organizing and doing market research is delegated. Yukl (2010, p.154) is arguing that this kind of approach is beneficial, as being tasks relevant for the department managers career. The same approach exists with choosing the suppliers. The middle managers are not the ones deciding with whom to collaborate. They must study the available suppliers and present the best three choices to top management, the latter being the ones that decide on which suppliers to work with. For as long as middle managers do not have the power to decide, that means that top managers did not delegate decision-making authority, they delegated just a task. Regarding suppliers the situation is the same in the small company as well, the employees are inspecting the suppliers and coming with suggestions, as the owners are deciding with whom to collaborate. In Company 4 decisions regarding suppliers are not even taken by the managers from the entity in Romania, the authority is in the hands of the business unit in Germany.

Worth mentioning is that Respondent 1 was interrupted by phone calls and phone messages seven times during the 40 minutes interview. All conversations were job-related and this can be a consequence of him wanting to be involved in so many decisions and trying to be in control of every aspect of his business. This kind of constant interruptions can prevent a top manager in focusing and spending time on strategic planning.
As it is visible from tables 3 and 4 administrative decisions are for the most part centralized in the top of the hierarchy. The pattern that is most noticeable is that all decision authority on activities that are finance related is in the hands of top managers, no matter the size of the company.

### 5.2 Operational decisions

Table 5: The place of decision authority and responsibilities in the hierarchy

<table>
<thead>
<tr>
<th>Hierarchy levels</th>
<th>Unexpected expenses (UE)</th>
<th>Marketing (MK)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Managing UE</td>
<td>Approving UE</td>
</tr>
<tr>
<td>Top Man.</td>
<td>C 1,2</td>
<td>C 3,4</td>
</tr>
<tr>
<td></td>
<td>R</td>
<td>DA</td>
</tr>
<tr>
<td>Middle Man.</td>
<td>R</td>
<td>DA</td>
</tr>
<tr>
<td>Lower levels</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: The Authors

(Legend: Top Man. = Top Management, Middle Man. = Middle Management, C = Company, DA = Decision Authority, R = Responsibility, UE = Unexpected Expenses, MK = Marketing)

Table 6: The place of decision authority and responsibilities in the hierarchy

<table>
<thead>
<tr>
<th>Hierarchy levels</th>
<th>Customer complaints</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>C 1,2,3</td>
<td>C 4</td>
</tr>
<tr>
<td>Top Management</td>
<td></td>
<td>C 1,2,4</td>
</tr>
<tr>
<td>Middle Management</td>
<td></td>
<td>DA</td>
</tr>
<tr>
<td>Lower levels</td>
<td>R, DA</td>
<td>R</td>
</tr>
<tr>
<td></td>
<td></td>
<td>R, DA</td>
</tr>
</tbody>
</table>

Source: The Authors

(Legend: C = Company, DA = Decision Authority, R = Responsibility)

As operational decisions are concerned with the near future and daily operations that are not necessarily programmed (Ackoff, 1990; Ghertman, 1984, p.7), issues like unexpected expenses, marketing, customer complaints and sales activities were in focus when interviewing the respondents; the aim being to understand if managers are delegating only tasks regarding these types of activities or they are delegating decision authority as well. In the case of operational decisions, according to Montana and Charnov (2000, p. 92), the decision authority and responsibilities from tables 5 and 6 should be on the last rows, namely “Lower levels”.

When it comes to unexpected expenses Respondent 1 said he must be consulted at all times as he is in charge of the finances. As the company grows, Respondent 2 which is the Executive Director, said that dealing with unexpected expenses is delegated to each department manager, but approval in terms of signatures is needed for spending money no matter if is in the budget or not. The third respondent which is a Regional Manager for an even bigger company, explains
that she can spend money without approval, but those cases are really remote and no justification is needed because is something obvious that is forced by the legislation. Other unexpected expenses, as she affirmed, are already in the budget. Respondent 4 described a quite similar situation to Company 2 and 3 with the exception that middle management does not need any further approval to spend the budget for unexpected expenses, but drawbacks may exist regarding future expenses, as less budget for training. From these four cases, regarding unexpected expenses that can increase in the course of daily operations as Ackoff (1990) describes them, is quite obvious that the financial part of the companies is under close control of top management and is not delegated no matter the size of the company, the industry in which it operates or if is a production or service company. Managers can consider the task of dealing with unexpected expenses as very important, central to the role and even difficult to monitor (Yukl, 2010, p. 152) so a delegation of such decision authority is not happening.

For making the marketing plans the marketing manager is responsible in Company 2 and has full autonomy in implementing her ideas, but just after the budget is approved by top management. This situation can be related to responsibilities and decision authority that Yukl (2010, p.154) suggested that managers are willing to delegate because they consider that are relevant to a subordinate’s career. In this case, by delegating to department manager even decision authority and not just the responsibility, she can experiment, learn from her own mistakes and she can develop. In Company 3 and 4, the responsibility for planning and proposing what marketing activities to have is delegated to lower levels managers and employees, but the decision authority is held at middle management level. This situation is explained by Yukl and Fu (1999) as consultation; when the employees can just present their opinions but do not have decision authority. Managers, by delegating responsibilities to their subordinates and taking into consideration their opinions, are making the subordinates feel valued. It may be the case, that in these two companies, the managers are trying to involve the employees in the decision process as a compensation for having a centralized decision authority.

For customer complaints, in Companies 1, 2 and 3 lower level employees are responsible and can decide on the remedies applied. In this cases, as the subordinates can act without any authorization, the process of delegation is met (Yukl and Fu, 1999). In Company 1 for example, front-desk employees have the ability and decision authority to apply remedies, which can be a reason to enable subordinates to deal with problems quickly. Yukl (2010, p151) is suggesting that is common for managers to delegate authority to employees whose work implies on-spot decisions every day. In Company 4 the responsibility is delegated to a person from logistics, but decision authority is in the hands of middle management. A reason for this approach in this company is the low average age and lack of experience of the staff, as the majority are students or have not long ago got graduated. So in Company 4, this kind of decisions are considered as it can be done better by department managers as not being appropriate in difficulty for subordinates (Yukl, 2010, p.152).

In Companies 1, 2 and 4, the clerks or sales agents have the authority to act without any authorization in some situations. They can change the payment or delivery terms, negotiate and offer discounts, so the decision authority is moved to the lowest levels in the hierarchy. This can
again, as in the case of remedies, enable the sales agents to deal more quickly with the problems and adapt to situations (Yukl, 2010, p.151). A similar situation like in Company 4, is taking place in Company 3, except is regarding sales and not customer complaints. Sales agents in Company 3 have no decision authority, they cannot negotiate and they must follow the protocol. But the reason is not the young workforce. Company 3 offers cash loans, similar to a bank, so each and every activity within the company is formalized and kept under close supervision.
6. Conclusion

This paper sought to investigate what kind of responsibilities and decision authority do managers in one of the low trust countries delegate to their subordinates. Based on the studies of Bloom, Sadun and Van Reenen (2012); Athanasouli and Goujard (2015) and Gur and Bøjrnskov (2016), which found that centralization is more common in low trust countries, the authors explored which administrative and operational decisions are delegated or not in companies located in Romania, known as a low trust country. The findings show that administrative and operational decisions are not fully delegated from higher to lower levels in the hierarchy, supporting that companies in low trust countries have a centralized decision authority, the locus of the decision being high up in the hierarchy. Responsibilities and tasks are delegated but not together with decision authority and moreover, it is clear that decisions that involve money, are confidential, important and can have an impact in the organization are not delegated.

In a small company responsibilities and decision authority regarding customer complaints and sales are delegated to lower level employees, front desk employees. The rest of researched decisions are lying in the hands of top management. In larger companies, the situation is quite different. Administrative decisions are mainly taken by top management, even though Montana and Charnov (2000, p.92) are suggesting that these are usually the responsibilities of middle managers. The operational decisions researched in this study are half in the hands of middle management and half in lower levels of the hierarchy. As highlighted by Montana and Charnov (2000, p.92) operational decisions should usually be taken at lowest or supervisory levels.

As a conclusion regarding administrative decisions is that not all of them are at middle level management where Montana and Charnov (2000, p. 92) are stating they should be. So these kinds of decisions in Romania, which is a low trust country, are centralized. Top managers are not delegating decision authority regarding financial aspects to middle managers. In exchange, they are delegating other responsibilities and decision-making authority which are relevant for the middle manager's career, in situations when the middle managers have more reliable information.

The administrative decisions that top management is delegating to middle management are decisions to choose the wanted candidate for a position, promotions and disciplinary measures applied to subordinates. A fact is that all those decisions involving costs such as opening new positions in the company, raising salaries, organizing training sessions and choosing suppliers are not delegated to middle management. What is top management however delegating, are responsibilities and tasks regarding the abovementioned activities like, taking interviews, creating job descriptions, inspecting salaries in the market, monitoring and measuring the performance of the employees, rotate employees on positions, change KPI's, organize and choose the candidates for a training and market research for possible suppliers.

Regarding operational decisions, again those decisions involving costs as unexpected expenses and marketing are in the hands of the top and middle management. Deciding over
remedies for customer complaints and when it comes to sales agents, setting commissions, offering discounts and changing delivery dates are delegated to employees subordinated to middle management. Responsibilities to research the possible channels for promotion and to investigate a case of customer complaints are delegated. So most of the responsibilities and decision authority that managers are delegating are those which are relevant for the subordinates career and which enable them to deal with problems quickly.

In some cases of authority delegation, there can be seen that the size of the organization matters. Or other cases that stand out might be because the type of activity that the company is performing. Also, some similarities are arising among those establishments that are in fact subsidiaries of multinational enterprises. These are variables that are worth taking into consideration for future studies and explored more in depth. For the present study is unlikely to make any generalization because of the small research sample but the affirmation that can be made is that researched companies are quite centralized and the reason might not be just the fact that are situated in a low trust country.

With the present paper, the authors extended and built upon the studies of Bloom, Sadun and Van Reenen (2012); Athanasouli and Goujard (2015) and Gur and Bojrnskov (2016) which demonstrated that in low trust countries centralization is more common. This was done by using a qualitative research approach, different than the quantitative ones that previous studies used, in the end offering a more detailed explanation of the phenomena and presenting findings on what kind of responsibilities and decision authority are managers delegating in a low trust country. Although, further research is needed to get a more generalizable set of data and draw a more solid conclusion.
7. Suggestions for future research

This study suggests possibilities for future research. Firstly, since not much research was done in this field, the study can be conducted in other low trust countries and see if it generalize the same results and even go deeper and study more companies in Romania. Secondly, firms that have the same size or industry should be studied for a better overview and generalizability. Moreover, other activities in the company need to be examined in order to find supplementary information about what responsibilities and decision authority is delegated. In addition, studies in this field might benefit if an investigation would be made in order to clarify if trust is truly a reason why managers in low trust countries are delegating less.
Reference list


Appendices

Appendix 1- Interview Guide

To get a picture of the person we are interviewing

1. Name, age, gender

2. What are your position in the company and your professional background?

To get a brief picture of the company

3. Which is the industry sector that the firm activates in? How many employees does the organization have?

4. Can you describe the organizational structure in your company?

Administrative decisions

5. When it comes to hiring, who decides if there is a need for new personnel? Who approves the opening of positions? Who takes the final decision if a specific person will be hired?

6. What are the steps in a promotion process? How about a salary raise?

7. What happens when an employee does not fulfill his or her job responsibilities? Who decides the disciplinary measures applied?

8. When it comes to trainings on sales for example, what is the process from idea to implementation?

9. Regarding the suppliers, can you please describe the process, who is choosing them, who is approving the collaboration with them and what happens if a supplier has to be changed?

Operational decision

10. What happens when some unexpected expenses arise (for example a printer breaks down)?

11. Who designs the marketing plan? Who chooses the means of promotion? Do that person need approval for implementation?
12. Who deals with customer complaints? For example if some products are damaged and need to be replaced, a delivery is late or wrong, how is this situation solved?

13. How much authority has a sales person to change the conditions imposed if a situation requires it?

Appendix 2- Social Trust in 22 European Countries and Regional Variation

Source: Charron and Rothstein (2014, p.12)