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Incorporating Sustainability into Organizational Culture

An Exploration of Challenges and Solutions in the Swedish Banking Sector

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Abstract

Sustainability has emerged as a critical aspect of business operations globally, encompassing environmental impact, social responsibility, and governance factors. With its ability to allocate financial resources, the banking sector plays a unique role in achieving global sustainability goals. This makes it vital for banks to prioritize sustainability and embed it as a core value due to customer demands and socially conscious employees. However, despite the growing recognition of sustainability, there is a significant gap in integrating sustainable practices within the corporate cultures of banks. This study aims to explore how the Swedish banking sector incorporates sustainability principles into its organizational culture. It seeks to identify the primary obstacles these banks encounter in their sustainability efforts and examine their strategies to overcome these barriers. The result gained from this study will provide practical insights for banks to adopt a more integrated approach to sustainability across their values and practices. It will also contribute valuable knowledge to the management field in terms of shedding light on the correlation between sustainability and organizational culture. Based on the research findings, this study identified seven main challenges: lack of interest and motivation, difficulties in concretizing, limited time and resources, insufficient availability of appropriate measuring tools, lack of business relevance, resistance to cultural change, and knowledge gaps. Moreover, the most prominent solutions were: education, the appointment of sustainability ambassadors, active engagement of managers, alignment with values, norms, and behavior, and the implementation of effective measuring tools. Furthermore, this study highlights the importance of internal drivers, such as personal values and interests, in engaging employees in sustainability efforts. While external drivers, such as market demands and regulatory requirements, contribute to integrating sustainability into strategies, their impact on shaping corporate culture is relatively less significant.

Keywords: Sustainability, Organizational culture, Change management, Challenges, Solutions, Swedish banking sector

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1. Introduction

Imagine a world where sustainability is not just a buzzword but an integrated part of every organization's culture. This world may seem like a far-off dream, but it is becoming an increasing necessity. There is a growing recognition among employees and increased customer requirements for companies to incorporate the environmental, social, and financial elements of sustainability into their operations, thereby delivering sustainable services and goods (Ahmad, Mahmood, Ariza-Montes, Hernández-Perlines, Araya-Castillo & Scholz, 2021). This demand for sustainability is particularly relevant in the banking industry due to its highly regulated nature, which grants it substantial financial and social influence. With the ability to allocate financial resources, banks play a critical role as capital providers in the global pursuit of sustainable goals (Bhaskaran, Sujit & Mongia, 2021; Dragomir, Bătae, Ionescu & Ionescu-Feleagă, 2022). Consequently, there is a need to integrate sustainability as a fundamental component of business operations, transcending surface-level branding strategies. This integration is crucial not only to meet the increasing expectations of environmentally and socially conscious customers but also to attract and retain employees who prioritize working for socially responsible companies (Sullivan, 2014).

The adage "culture eats strategy for breakfast" (Herget, 2023, p.3) highlights the profound role of corporate culture as a determinant of a company's future success. Culture shapes how employees perceive and interact with the world, including their attitudes towards sustainability. It serves as the fundamental basis for establishing trust, fostering innovation, and operating efficiently towards common goals (Bolman & Deal, 2021; Herget, 2023). Within the context of sustainability, the integration of sustainable practices into the corporate culture of banks can enhance their reputation and appeal to socially responsible clients and employees, while contributing to addressing broader societal and environmental concerns (Sullivan, 2014). Following the 2008 financial crisis, culture gained significant attention in the financial sector, as failures in organizational culture and corporate governance were identified as contributing factors (Dragomir et al., 2022). Consequently, many banks have reevaluated their corporate cultures, leading researchers to develop theoretical models exploring culture's role within these organizations. One area of focus has been on the "softer" aspects of culture, such as fostering a positive workplace environment and cultivating a sense of higher purpose, to promote banking stability while ensuring economic growth (Barth & Mansouri, 2021; Thakor, 2021; Gunawan, Khomsiyah & Augustine, 2022).

The process of incorporating sustainability, from the highest levels of management to the broader supply chain, can pose challenges and face resistance at various levels (Lozano, 2013). While some companies have taken initial steps towards sustainability through initiatives driven by top management, they have not fully managed to reach the corporate system. To successfully move from unsustainable to sustainable practices, organizational change is required, which may disrupt the existing status quo (Lozano, 2013). To make meaningful change and facilitate a positive cultural shift in the banking industry, practical insights from academic research must be implemented into banks' daily operations, policies, and decision-making processes (Missimer & Lagun Mesquita, 2022). Unfortunately, the current state of the banking sector reveals a scarcity of practice-based research, underscoring the urgent need for actionable insights to enhance the reputation, competitiveness, and long-term success of Swedish banks.

1.1. Problem Statement

Sustainability has emerged as a critical aspect of business operations globally, with the banking sector playing a unique role in mobilizing financial resources toward sustainable goals (Ahmad et al., 2021; Bhaskaran, Sujit & Mongia, 2021). However, despite the increasing importance of sustainability in banking, a significant gap remains in integrating sustainability practices within the corporate cultures of banks (Lozano, 2013; Ahmad et al., 2021; Bhaskaran, Sujit, & Mongia, 2021). While sustainability is often communicated externally through reports and branding, there is little emphasis on internal integration, hindering the development of a sustainable organizational culture. This lack of integration may limit the long-term impact of sustainability and hinder the progress toward a more socially responsible banking sector. By examining the challenges and solutions that impact the integration of sustainability practices into the organizational culture, this study seeks to provide practical insights that can facilitate positive cultural change and promote sustainability within the banking industry.

1.2. Research Purpose

The aim of this study is to explore how the Swedish banking sector incorporates sustainability principles into its organizational culture. It seeks to identify the primary obstacles these banks encounter in their sustainability efforts and examine their strategies to overcome these barriers. The result gained from this study will provide practical insights for banks to adopt a more integrated approach to sustainability across their values and practices. It will also contribute

valuable knowledge to the management field in terms of shedding light on the correlation between sustainability and organizational culture.

1.3. Research Questions

1. *What are Swedish banks' main challenges when attempting to integrate sustainability principles into their organizational culture?*
2. *Which are the most prominent solutions the banks have implemented to overcome these barriers?*

1.4. Delimitations

The scope of this study is geographically bounded to Sweden, given its exclusive focus on Swedish banks. More specifically, the study centers on three of the five major commercial banks operating in the country: Handelsbanken, Nordea, and Swedbank, as defined by Sveriges Riksbank (2022). This targeted selection implies the exclusion of smaller banks from the research scope. Notably, the three banks operate as commercial banks, thus forming the object of inquiry for this study. Given the time constraints, a limited number of interviews were conducted.

1.5. Outline of the Thesis

This study will begin by comprehensively reviewing the relevant literature on sustainability, organizational culture, and change management. The review will provide the foundation for an analytical model that integrates the concepts and theories gleaned from the literature.

The following section will describe the methodology employed in the study, emphasizing biases, validity, and reliability. In addition, the section will outline the research design, data collection methods, and data analysis techniques used in the study.

Following this, the thesis will provide an overview and background of the participating banks, making it easier for the reader to understand the context. This will be followed by a presentation of the results from the 15 interviews conducted with sustainability managers, HR-managers, and employees within the banks. Finally, the results will be analyzed and discussed in detail in the subsequent chapter.

The analysis and discussion of the results led to the presentation of recommendations based on the data collected. Recommendations and tools will be presented to guide the Swedish banking sector's efforts to incorporate sustainability into its organizational culture. This framework is informed by the theoretical framework, empirical data, analysis, and discussion conducted throughout the thesis.

2. Theoretical Framework

The theoretical framework offers an overview of present research on sustainability, organizational culture, and change management. While the order of presentation in the later chapters differs, in this specific chapter, it is essential to introduce the concept of organizational culture before delving into the topic of change management to comprehend the process of cultural change. By presenting essential definitions, frameworks, methodologies, and perspectives, the reader is equipped with contextual knowledge, based on which we have formulated our comprehension of the concepts. Towards the end of this chapter, we introduce our interpretation of the concepts in an analytical model based on the literature.

2.1. Sustainability

Sustainability is a multifaced concept that encompasses several dimensions, with over 300 definitions attributed to it. Moreover, its association with other terms, such as “sustainable development”, further contributes to the ambiguity surrounding the concept (Jacobó-Hernandez, Jaimes-Valdez & Ochoa Jiménez, 2021). The concept of sustainability has influenced several parts of society, manifesting itself in politics, domestic law, international treaties, companies, industries, and individuals' values and common sense (Ruggerio, 2021). Defining sustainability can be unclear, and its implementation depends on the context, leading to different interpretations of its impact. However, the interconnection between social, economic, and environmental dimensions of sustainability is usually integrated into the definitions (Alexander, Jacovidis & Sturm, 2021). The three pillars can be represented as interconnected circles with sustainability at the center (Purvis, Mao, & Robinson, 2018).

The modern sustainability mainstream emerged in the 80s and descended from post-World War Two. Purvis, Mao, and Robinson (2018) discuss how the concept of sustainability has developed from the view of “economic growth” and “economic development”. The environmental movements raised awareness about the disasters that humans have caused and can cause to the environment. During this time, the wave of radical social movements, combined with the environmental perspective, infused the view on “economic development”, leading to the concept of “sustainable development”. The concepts of sustainability and social development are often viewed as two contradicting phenomena, yet they are commonly used as synonyms in academia, the scientific field, and literature (Alberto Ruggerio, 2021). Therefore,

in this study, sustainability and sustainable development have been used synonymously when reviewing the literature.

Numerous and ambiguous definitions of sustainability have been acknowledged by many researchers (Boström, 2012; Gitsham & Clark, 2012; Pruvis, Mao & Robinson, 2018; Jacobo-Hernandez, Jaimes-Valdez & Ochoa Jiménez, 2021). In 1987, the United Nations Brundtland Commission published a definition of sustainability stating that it involves “[...] meeting the needs of the present without compromising the ability of future generations to meet their own needs.” (UN, n.d.). Furthermore, the European Commission defines corporate social responsibility as “[...] the responsibility of enterprises for their impacts on society” (European Commission, 2019). The definition includes all aspects of sustainability and how enterprises prevent, manage, and mitigate their negative impact (European Commission, 2019). The UN definition provides a strong starting point to emerge, and the European Commission complements it with more aspects, where the three dimensions, social, economic, and environmental, are raised. However, these definitions of sustainability can be considered vague and broad. Hence, it is essential to establish a precise definition of sustainability for this study.

2.1.1. Current Models

The Sustainable Development Goals (SDGs) were an answer to the increased need for sustainability. The SDGs are a global framework by United Nations for balancing environmental, social, and economic sustainability. The goals pertain to all societal stakeholders, including non-governmental organizations (NGOs), government entities, civil society, and the private sector (Mio, Panfilo, & Blundo, 2020). The literature also reflects the increasing demand for sustainability, introducing additional concepts and models. In this study, the most applicable and common models in the corporate sector have been given priority, namely Corporate Social Responsibility (CSR), Tripple Bottom Line (TBL), Sustainable Business Systems (SSBS), and Environmental, Social, and Governance (ESG), which all are commonly associated with corporate sustainability.

As sustainability, the definition of CSR can differ depending on the context and consignor. According to Risi and Wickert (2019), CSR is a comprehensive concept encompassing social, environmental, and ethical responsibilities in organizations' core business strategies, structures, and processes, regardless of their size. This integration occurs within and across divisions,

functions, and value chains in collaboration with relevant stakeholders. Carroll and Brown (2018) provide an explanation of the three elements of corporate responsibility. Firstly, the *corporate* dimension encompasses small, medium, and large businesses. The *social* dimension emphasizes human society or the life of welfare of a community. This includes societies, nations, and states that can be affected by a corporation's way of action or decision. Furthermore, the social dimension also includes the environmental aspect, highlighting the interconnection between corporate actions and their ecological consequences. Lastly, responsibility pertains to businesses being held accountable for their actions, decisions, and outcomes within their sphere of authority, jurisdiction, or administration.

TBL, a model which emerged from Elkington's accounting method in the late 90s, is used in parallel with traditional financial "bottom line" and adds guidelines for implementing social, environmental, and economic aspects. Organizations are encouraged to consider a long-term perspective of these elements in decision-making and produce indicators and various methods for incorporating these outcomes (Purvis, Mao & Robinson, 2017; Jacob-Hernandez, Jaimes-Valdez & Ochoa Jiménez, 2021). The *social* dimension includes workers' rights to health and safety at work, employment, and noise creation. Furthermore, the *environmental* dimension covers organizations' pollutant emissions, acknowledgment regarding recycling measures, and exploitation of natural resources. Lastly, the *economic* dimension includes profit margins, the quality of products, responsibility, and acceptance of the official regulations. Critics have been raised towards the TBL framework, as it has been interpreted as vague and misleading due to little evidence of effective use (Purvis, Mao & Robinson, 2017).

Another part of ensuring businesses' responsibility regarding sustainability is using SSBS. SSBS entails new ways of understanding how businesses' practices, regulations, and policies work to ensure sustainability for achieving dignity for the planet and people. This means establishing systems that work towards the goal of every person's right "[...] to a life with dignity on the planet on which he or she was born." (Carbo, Dao, Haase, Hargrove, & Langella, 2018, p.1). The systems combine processes (how) and content (why), i.e., understanding *what* to achieve and *how* to do it. Furthermore, SSBS is a global system, which includes establishing new rules, parameters, structures, institutions, and goals to provide a positive footprint for people and the planet to live with dignity.

An additional sustainability concept enterprises commonly use is the ESG concept. The *environmental* dimension refers to the promotion of environmental consciousness and protection. The *social* dimension primarily concerns human rights, human capital, stakeholder resistance, and social concerns. The *governance* dimension encompasses the interaction between business management and stakeholders. Gurol and Lagasio (2022) state that implementing ESG policies creates a long-term competitive advantage, which applies to nonprofit and for-profit organizations. The Global Reporting Initiative (GRI) assumes a critical function in promoting the comparability of sustainability reports by establishing guidelines for publishing sustainability reports, which serve to standardize the disclosure framework (Gurol & Lagasio, 2022).

2.1.2. Corporate Sustainability

During the last decades, businesses have increased their interest and knowledge of how their activities can influence social and environmental dimensions. Taking actions and transforming into a sustainable organization can be correlated with positive performance. Corporate sustainability is a valuable tool for an organization to drive change, manage risks, and reduce costs, but on the other hand, building sustainability requires commitment, leadership, and vision (Jacobo-Hernandez, Jaimes-Valdez, and Ochoa Jiménez, 2021). Multiple motivators exist for prompting corporations to adopt more sustainable practices, with leadership emerging as a primary driver. Other factors such as performance enhancement, safeguarding of reputation, promotion of innovation, financial values, reduction of costs, building trust, and brand awareness also serve as notable impetuses (Lozano, 2013; Gurol & Lagasio, 2022). Moreover, integrating sustainability into employee engagement can attract and retain talented individuals (Sullivan, 2014).

For companies to become more sustainable, education is a crucial aspect. This includes educating both the decision-makers and employees as they enable behavioral change at all levels. Businesses need to walk the talk, and one way of doing that is by transforming people into sustainability ambassadors for the organization. This unleashes a positive energy that fosters commitment and motivates performance well beyond the scope of financial incentives (Sullivan, 2014). Besides education, employee engagement is essential. If the beliefs of the employees are in line with the organization's values, the engagement will increase, which can ultimately result in business sustainability. Hence, organizations need their employees inside

to contribute to a sustainable future. To effectively engage and motivate employees, it is essential to integrate sustainability into the corporate culture, spanning from the highest levels of management to the broader supply chain (Sullivan, 2014).

There are more aspects than education and engagement necessary for companies to reach their employees. As sustainability is not a concept applied in a single and generalized way, communication is vital to create a shared understanding. This is important for understanding the nature of, for instance, sustainability challenges, the need for transformation, and how to align sustainable values and norms with behavior (Barendsen, Muß & Silvius, 2021). These aspects can be communicated in official statements, team meetings, and during recruitment processes (Ceccarini, Bogucka, Sen, Constantinides, Prandi & Quercia, 2022). Regarding the need for transformation, there are several challenges with implementing and transforming into a sustainable organization. Some are more related to the environmental part, and others more to the financial and social aspects. Jacobo-Hernandez, Jaimes-Valdez, and Ochoa Jiménez (2021) present several obstacles, including insufficient education, lack of commitment and alignment, as well as no applicable approach or model.

2.1.3. Social Sustainability

As the field of this study concerns management and employees, it is necessary to clarify the social dimension of sustainability further in this study. There is a correlation between social sustainability and organizational culture, as it fosters a sense of accountability and responsibility. Social sustainability goals are supported by values, norms, and mindsets that shape the decision-making and behaviors of organizational members across all levels of the company. Moreover, an organization that prioritizes social responsibility is more likely to incorporate initiatives and practices related to the social dimension (Schönborn, Berlin, Pinzone, Hanisch, Georgoulas, & Lanz, 2019). The social dimension mainly focuses on the internal aspect, including employment and work-related issues, gender and age equality, class and ethnic justice, sexual orientation inclusivity, opportunities for learning and development, cultural diversity, work-life balance, working environment, and traditions (Jayne & Dipoye, 2004; Boström, 2012; Ceccarini et al., 2022).

As diversity is a part of sustainability, it brings numerous positive outcomes for organizations. Having a diverse workforce will represent the diversity of society, and a workforce composed

of individuals from a wide range of backgrounds and perspectives possesses a greater depth of information and creativity, making it more effective in tackling challenges and finding solutions. Furthermore, because the workforce will serve a broader customer base, it can increase the likelihood of hiring the most qualified employees, which leads to better financial performance (Johnston & Packer, 1987; Cox & Blake, 1991; Jayne & Dipboye, 2004; Hunt, Layton & Prince, 2015). Nonetheless, on the other hand, having a diverse workforce does not ultimately lead to positive outcomes, there needs to be tools and strategies included (Jayne & Dipboye, 2004).

2.1.4. Measuring Sustainability

Environmental sustainability is seen as more concrete and easier to measure, whereas social sustainability does not have the same basis for measurement. There are parts of the social dimension that are possible and more accessible to measure, such as income equality and employee rent, but it is harder to measure, for example, the quality of life or social recognition (Boström, 2012). There are additional aspects that create obstacles when measuring sustainability. The nature of the sustainability concept is vague and abstract, as mentioned in the definition, which makes it harder to implement. The way of measuring sustainability and the indicators vary depending on a local, regional, or global level, and therefore needs to be evaluated from the three dimensions of sustainability on a short-and long-term perspective (Ziegler, Wolff, Agu, Cortiana, Umair, de Durfort, Neumann, Walther, Kristiansen & Lienkamp, 2023).

2.2. Organizational Culture

The concept of organizational culture was introduced at the end of the 70s, and shortly after the term corporate culture became widely used (Hofstede, Neuijen, Ohayv & Sanders, 1990). As Herget (2023) notes, corporate culture is not exclusive to the corporate sector, as it also applies to other types of organizations, all of which have their own unique organizational culture aimed at achieving their respective purposes. Therefore, the terms “organizational culture” and “corporate culture” are used synonymously in this thesis. Nevertheless, the concept of culture can be challenging to grasp, as the literature lacks depth and offers superficial descriptions. The definitions are often characterized by slogans and wishful thinking, described with vague and simplistic terms (Alvesson & Svingsson, 2016). Moreover, management lacks a strong understanding of culture and why people and businesses function the way they do (Alvesson &

Willmott, 2002). Although culture is an abstract phenomenon, it is essential to recognize the social and organizational factors that shape it. These factors can help explain some of the challenges we face in the workplace and allow us to gain a better understanding of ourselves (Schein, 2010). It is also important because culture has acquired a status like a strategy, and some believe that “culture” and “strategy” are partly overlapping constructs (Hofstede et al., 1990).

2.2.1. Defining Culture

Every company has its own culture. It is often defined as the shared beliefs, values, assumptions, and behavior patterns characterizing the organizational members (Malmi & Brown, 2008; Bolman & Deal, 2021). When talking about corporate culture, it is common to use Hofstede et al. (1990) seven characteristics. Culture is: (1) holistic; (2) historically determined; (3) related to anthropological concepts; (4) socially constructed; (5) soft; and (6) difficult to change. In addition to these intangible qualities, corporate culture can also manifest in visible characteristics, including building, office décor, and the conduct of meetings (Herget, 2023). According to Bolman and Deal (2021) culture forms the superglue that bonds an organization, unites people, and enables them to achieve common goals.

Schein (2010) suggests three interrelated cultural levels: artifacts, espoused beliefs and values, and basic underlying assumptions. The core of corporate culture is rooted in the *underlying assumptions* about the nature of the organization. These unconscious assumptions are consolidated through collective structures and embody the feeling of “this is who we are”. The company’s *values* and *beliefs* operate more consciously and are often recorded in the mission statement. They serve as principles and codes and correspond to the feeling of “this is how we want to be seen” (Schein, 2010; Herget, 2023). Occasionally, there may be a misalignment between an organization’s stated and formal values and its actual culture. This discrepancy can stem from various hidden and unconscious factors, often due to the vague and abstract language used to describe culture. As a result, the idea of culture ends up being fused together with an organization’s ethical conduct (Schein, 2010; Alvesson & Sveningsson, 2016; Herget, 2023). Lastly, *artifacts* are behavioral and verbal manifestations of culture, including symbols, heroes, rituals, language, and office space (Hofstede et al., 1990; Schein, 2010; Bolman & Deal, 2021). The expressive artifacts correspond to the feeling of “this is how it is here, and this is how it works” (Herget, 2023).

2.2.2. Impact of Culture

The impact a company has on its employees is determined by the strength of its culture, which can be classified as either strong or weak. In a solid culture, employees adhere to established norms, attitudes, and behaviors. Such a culture is characterized by stability and homogeneity, which provides a unique benefit to the company and can be seen as a competitive advantage. Additionally, a strong culture enables the company to perceive and respond to changes in the environment and within the company (Hofstede et al., 1990; Schein, 1984; Herget, 2023). A strong culture fosters a sense of social identity among employees, increasing their motivation to embrace the workplace culture (Alvesson & Willmott, 2002). Organizational culture and identity are closely related. Some argue that culture is a more implicit and emergent context, while identity is more explicit and emphasized through language. The extent to which individuals identify with the company is important for whether a more distinct culture emerges (Alvesson & Sveningsson, 2016).

In contrast, a rigid culture cannot adequately deal with complex external conditions. Instead, a weak internal culture fosters uncertainty, stress, and a lack of control, as employees are less likely to accept and follow desired norms and values (Schein, 1984; Yip, 2021; Herget, 2023). Therefore, to achieve high organizational performance, it is vital to establish a strong corporate culture that guides behavior, promotes communication, and builds trust (Herget, 2023). Alvesson and Willmott (2002) have highlighted the positive correlation between employees feeling a sense of purpose in their work and increased job performance. Creating a fear-free environment that prioritizes psychological safety is crucial in enabling individuals to reach their full potential, as stated by Herget (2023).

Large and complex companies are likely to have multiple subcultures, which can be categorized into macro-cultures, organizational subcultures, and micro-cultures. Macro-cultures refer to cultural differences between countries, ethnic groups, religious affiliations, and professional groups. Organizational subcultures are location-based cultures that exist within multinational or global companies. Finally, micro-cultures are formed based on the frequency of interaction among their members (Schein, 2010). It is a common misconception among writers on culture to assume that all members of an organization share a common set of values. The reality is that organizations consist of diverse generations, genders, divisions, and departments that result in cultural diversity, manifested in terms of divergent meanings, values, and symbols. For

instance, older employees may prioritize loyalty to the firm over their superiors, potentially leading them to resist the plans of the latter if they are not perceived to serve the interests of the organization. As such, it is essential to avoid treating employees as a homogenous group expressing identical interests (Hofstede et al., 1990; Alvesson & Svingsson, 2016).

Leaders play a critical role in maximizing the impact of a positive organizational culture on performance. They must walk the triad by saying, doing, and implementing the values that guide the culture. While the primary responsibility for creating and maintaining a positive corporate culture falls largely on top management, it is important to acknowledge that managers at all levels also play a significant role in shaping it. Good corporate culture management is characterized by an integrative focus on all stakeholders, including customers, markets, the environment, employees, investors, and management (Herget, 2023). However, management literature often fails to differentiate between the values held by the founders or leaders of a company and those embraced by the rest of its members. Organizational cultures are rather described based on statements by corporate heroes and figures. Although the values of top management undoubtedly influence the overall culture, their effect on ordinary members occurs through shared practices and behaviors (Hofstede et al., 1990).

2.2.3 Measuring Culture

Alvesson & Svingsson (2016) argue that culture is qualitative and cannot be easily measured or classified, as it is about meaning and not frequencies. Attempts to measure the effects of culture on performance have been met with complexities, challenges, and questionable results. Instead, the authors suggest focusing on qualitative indicators of its consequences during change. By tracking the ideas, vocabularies, feelings, rethinking, and refocused attention of individuals targeted for a change program, it is possible to indicate whether the program is having the intended impact. On the contrary, Herget (2023) suggests that measuring culture is feasible using tools such as culture audits. The corporate culture audit is a systematic process that assesses distinct organizational culture factors, both from the management and employee perspective. Various techniques can be utilized to survey corporate culture, including interviews, surveys, and group discussions. Employing a combination of these methods, also known as multi-method mix, is often recommended to ensure optimal outcomes. The evaluation of the culture audit provides a solid foundation for identifying culture objectives and aligning the company's goals and strategies with appropriate Key Performance Indicators (KPIs)

(Herget, 2023). The author states that there should be no fear of measurement in the first place, as it is essential for managing corporate culture. As the saying goes, “you can’t manage it unless you can measure it” (Herget, 2023, p.136).

2.3. Change Management

Organizational change management is about continually renewing a company’s direction, structure, and capabilities to meet the ever-changing needs of internal and external stakeholders (Todnem By, 2005). There are several triggers for change which can be categorized into external and internal factors, although they often overlap. External forces exert a significant impact on organizations and encompass a range of factors such as political, cultural, market, economic, technological, and demographic influences. For instance, cultural and societal norms play a crucial role in driving change by directing organizations to align their practices with prevailing social trends. Meanwhile, internal change forces originate from within the organization itself. These forces may manifest in the form of rapid expansion, the introduction of new individuals in key positions, the adoption of emerging technology, or the development of innovative products and services (Alvesson & Sveningsson, 2016).

Regardless of the origin of change, the focus should be on developing a path to achieve the goal without defining the content of the objective itself or the methods used to derive it. Rather than solely focusing on applying strategic planning methods and procedures, change management is directed toward the company's members undergoing change. The management theory of the past focused on teaching strategies for development while neglecting the importance of implementing change effectively. This has been proven challenging since the implementation process requires the active involvement of employees with their own needs, experiences, and emotions. While it is difficult to determine whether finding an optimal strategy or implementing it is more challenging, both are necessary for achieving sustainable corporate success. Thus, organizational change cannot be separated from organizational strategy or vice versa (Lauer, 2021).

2.3.1. Managing Cultural Change

The ability to manage organizational change has become increasingly important for managers due to various global factors, such as technological innovation, demographic shifts, and a growing knowledge workforce. As a result, management practice and academic training have

begun to focus more on developing specialized techniques for controlling these change processes (Todnem By, 2005; Lauer, 2021). Despite the numerous improvement programs and models for organizational cultural change, learning, and agile leadership, research has shown that most programs still fail due to flaws in their implementation. In fact, many change efforts can do more harm than good, as they require significant time and resources that may impact other organizational processes and lead to disruptions in the workplace (Todnem By, 2005; Alvesson & Sveningsson, 2016). Although many change initiatives fail, there is literature suggesting that change is possible to control through various forms of planning and design. One approach to planned organizational change is the Group Dynamics school, focusing on the workgroup level and its later development into Organizational Development (OD) (Alvesson & Sveningsson, 2016). Another approach is the Open Systems school, emphasizing the organization's level as an open and living system (Alvesson & Sveningsson, 2016).

One of the main obstacles in planned change efforts is ensuring that organizational changes are maintained in people's thinking and actions. This challenge arises from the fact that people often revert to their old ways of thinking and doing things after the change process is completed. The Group Dynamics school targeted change at the group level, assuming that norms, roles, and values primarily influence individuals' behavior (Alvesson & Sveningsson, 2016). Lewin proposed a three-step model for implementing change projects that involve (1) unfreezing; (2) change; and (3) refreezing (Alvesson & Sveningsson, 2016). To minimize friction and resistance, employees are engaged in the preparatory and planning stage, where the aim is to destabilize the status quo of group norms and values and convince those affected by the change of its necessity. The goal is to create disequilibrium, facilitate the implementation of change activities, and then stabilize the new state, preventing it from reverting to the previous behavior. The OD movement has developed many ideas, such as empowering employees to act, creating open communication, facilitating ownership of the change process and outcomes, promoting a collaborative culture, and fostering continuous learning (Alvesson & Sveningsson, 2016).

According to The Open Systems school, organizations are not just a collection of groups, but rather a complex network of interconnected sub-systems that work together to form the entire organization. To ensure a well-functioning organization, it is essential to establish an alignment between these sub-systems. In recent years, there has been a shift in focus toward different aspects of the organization, such as strategy, structure, and organizational culture, in addition to the traditional emphasis on leadership and individuals. For change to be successful, it is

essential to adopt a systematic approach that involves aligning the “softer” elements of people, leaders, and values, with the “harder” elements of technology, strategy, and structure (Alvesson & Sveningsson, 2016). Kotter (2012) suggests an eight-step model for change that requires a substantial amount of time, usually between three to ten years, for comprehensive changes to be fully integrated into the corporate culture (Kotter, 2012; Alvesson & Sveningsson, 2016; Herget, 2023).

Heracleous and Barrett (2001) argue that change is difficult because of existing cultural assumptions that are deeply embedded in organizational artifacts, such as symbols, power structures, and control systems. To overcome this challenge, it is necessary to bring these assumptions to the surface and recognize their legitimacy in organizational sub-systems. Furthermore, the authors identify four themes that are important for successful change. The first theme emphasizes the importance of visible and active leadership. Leaders should take visible steps toward the new culture through frequent and clear communication. Second, it is important to involve those affected by the planning process changes and to integrate small-scale initiatives into the more significant strategic change efforts. Third, clear communication is crucial to ensure employees understand the rationale for change and are motivated to participate. Finally, new skills may be required, and organizations should develop new roles and responsibilities to support the change efforts.

2.3.2. The Role of Managers and Employees During Change

There is a growing interest in rethinking organizational change as a complex, emergent, and continuous process that involves the interpretation and understanding of people in different organizational levels. The traditional approach of top-down change efforts is being replaced with a process approach that recognizes the unpredictable and chaotic nature of change. This approach involves encouraging organizational members to take the initiative while applying an understanding of the unpredictability of change. In terms of managers’ roles, they can adopt different positions or images during change work based on two main dimensions: the way of *managing* and the *outcome* of change. The first dimension includes controlling, where managers impose changes from the top-down, and shaping, where managers involve others, influence opportunities, and provide encouragement. The outcome of change can be intended, partially intended, or unintended, depending on the degree of similarity between the actual outcome and the original goal (Alvesson & Sveningsson, 2016).

Another perspective suggests that different phases of continuous change require different types of managers, such as evangelists who use their influence to sell ideas, autocrats who use their authority to change and direct practices, architects who establish routines and embed change in technology, and educators who shape intuition and fuel the cycle of change in subtle ways over time (Alvesson & Sveningsson, 2016). Additionally, taking intentional action to create a positive cultural change, referred to as “culture hacks”, can be a useful benchmark for corporate culture development. Culture hacks refer to interventions that are often implemented spontaneously by managers to align current employee behavior with desired behavior. The primary objective of culture hacks is to identify discrepancies between current and desired behaviors, which, in turn, initiate a process of self-reflection among employees (Herget, 2023).

Lauer (2021) proposes three starting points for change management: (1) individuals; (2) corporate structures; and (3) corporate culture. At the individual level, active participation is essential for successful change. This involves developing new skills and fostering a positive attitude toward the change process. Although corporate structures, such as processes, strategies, and resources, are relatively easy to change on paper, they may face resistance from informal structures within the company. Neglecting the organizational culture, which encompasses employees’ attitudes, values, and unwritten rules of behavior, can lead to significant obstacles in the implementation phase. Therefore, a successful change management strategy must address all three levels – individuals, corporate structures, and corporate culture – to ensure a smooth transition. There is no simple recipe for how to manage change successfully, but it often requires a shift in the mindset of managers who need to recognize the independence of employees in achieving corporate success. Herget (2023) also notes that it is crucial to focus on both the mindset and behavior of individuals to effectively change corporate culture. Methods such as inventions, tools, and technologies can facilitate changes in the way employees collaborate, ultimately enhancing organizational capabilities and outcomes. This highlights the significance of the triad between thinking (mindset), acting (behavior), and methods.

2.3.3. Resistance for Change

Organizations undergo change for multiple reasons, but one common and central reason, stated by Kotter (2007), is that businesses make fundamental changes to manage and navigate a changing market environment. However, change is not always easy, and employee resistance

is one of the primary obstacles leading to unsuccessful change initiatives. Usually, employees and managers are most critical towards change, while investors and top management must assume the role of change drivers (Lauer, 2021). Lauer (2021) identifies three types of resistance: (1) a general rejection of the initially foreign; (2) reactance; and (3) communicative misunderstanding. The first type of resistance includes groups or individuals in an organization that perceive themselves as foreigners, elevating the likelihood of fueling tensions and conflicts. The second form of resistance emerges as a response to constraints on freedom, often leading individuals to resist change to maintain a sense of autonomy. Lastly, the third form of resistance, revolves around interpersonal relationships and the potential for errors or misinterpretations in communication (Lauer, 2021).

The companies that have implemented sustainability into their business operations have mainly done it through top-management initiatives, but they frequently overlook the importance of engaging with the entire organizational system. This lack of engagement can be attributed to psychological or social barriers that hinder the successful implementation of sustainability practices (Lozano, 2013). Any organizational modifications that pose a threat to the status quo, such as transitioning from unsustainable procedures to sustainable ones, are likely to encounter opposition across various levels within the organization. Therefore, it is crucial to identify these barriers and develop appropriate strategies to overcome them as an initial step in addressing the need for change. Resistance to change does not always stem from a direct opposition to it, it can be driven by a fear of the unknown or concerns about potential losses in compensation or comfort (Lozano, 2013). Moreover, misunderstandings are a recurring reason for resistance to change, creating further obstacles in the change process. By understanding the underlying reasons or sources of resistance, organizations can implement mechanisms and strategies to cope easily with the change process (Mustafa, 2022).

2.4. Analytical Model

Table 2.1 summarizes the definitions of the three central concepts: sustainability, change management, and organizational culture, as utilized in this research study. The purpose of this table is to provide an overview of the study's definitions and construct the Analytical Model presented in *Figure 2.1*, which will minimize any potential misunderstanding of these multifaced concepts. The definitions were derived from the theoretical framework.

Table 2.1: Definitions of the central concepts

	<i>Definition</i>	<i>Sources</i>
<i>Sustainability</i>	How corporations consider their impact on the world and take responsibility for their actions, all while not compromising on the needs of future generations. There are three integrated dimensions of sustainability: social, environmental, and financial.	Purvis, Mao, & Robinson, 2018; European Commission, 2019; Alexander, Jacovidis, & Sturm, 2021; UN, n.d.
<i>Change Management</i>	Organizational change management is an ongoing process of revising a company’s goals, structure, and abilities to meet changing demands. Drivers for change can be both internal and external. This can be met with resistance from employees due to psychological or social barriers.	Todnem By, 2005; Lozano, R., 2013; Lauer, 2021.
<i>Organizational Culture</i>	The norms, values, behaviors, and symbols that incuse and permeate the organization. This includes formal and informal actions.	Malmi & Brown, 2008; Schein, 2010; Alvesson & Sveningsson, 2016; Bolman & Deal, 2021; Herget, 2023.

Through the application of *Figure 2.1*, illustrated under, this study has investigated the correlation between sustainability and organizational culture. *Figure 2.1* aims to (1) understand how sustainability can be incorporated into organizational culture through change management, which includes meeting potential obstacles and resistance. Furthermore, (2) if, and in that case how, organizational culture is the change driver to integrating sustainability into the corporation. Thus, this can result in a significant shift in the organizational culture. Sustainability can be regarded as a foundational element that requires change management to assimilate into the corporate culture. But on the other hand, the organizational culture may serve

as a driving force for transitioning towards a sustainability-oriented approach, thereby functioning bidirectionally.

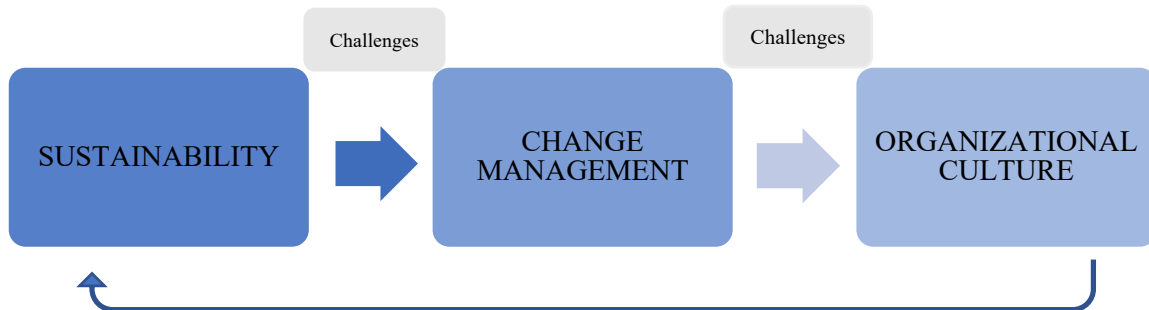


Figure 2.1: Analytical Model: Based on the central concepts of the thesis

3. Methodology

This chapter outlines the methodology used for the qualitative research, which takes an inductive and exploratory approach. The primary data has been collected through semi-structured interviews, allowing for an in-depth understanding of the research topic. To ensure the reliability of the findings, careful consideration has been given to the limitations and biases inherent in the chosen methodology.

3.1. Research Approach and Data Collection

This study has employed a qualitative research method gathering data from sustainability managers, HR-managers, and employees who are relatively unacquainted within these fields in three of Sweden's largest banks. Given the exploratory nature of the research purpose, the qualitative perspective is well-suitable to achieve the overall objective. Furthermore, it has allowed for an inductive, hypothesis-generating approach, which is useful when investigating challenges. As noted by Sekaran and Bougie (2016), research questions can be classified into two basic types: exploratory and descriptive. Exploratory research questions are typically used when the researcher seeks to enhance their understanding of a problem, especially when there is limited knowledge about a particular problem or insufficient theory to develop a theoretical framework. This study reflects this scenario, and thus the research design, data collection methods, and analysis techniques depend entirely on the exploratory purpose and questions (Sekaran & Bougie, 2016).

After considering various research instruments, such as surveys, observations, case studies, or interviews, this study opted to utilize an interview methodology to collect the primary data, as it is a valuable method for gaining detailed information on participants' experiences and perceptions (Sekaran & Bougie, 2016). An interview is a guided conversation between at least two people and can be both unstructured and structured. An unstructured interview does not have a pre-set of planned questions for the participant. Instead, a preliminary issue is raised, leading the participant to a more in-depth investigation. A structured interview most commonly has the content prepared in advance and consists of an introduction, a set of topics in a logical order, and suggestions for exploratory questions. To ensure participant comfort and engagement, questions in the interview protocol typically begin with easier and straightforward ones, before progressing to questions more related to the purpose of the study. Exploratory questions are follow-up questions that aim to clarify the first answer, provide more

comprehensive information, or delve deeper into the topic. The same set of questions is asked to all participants during a structured interview and in the same manner (Sekaran & Bougie, 2016). This study used a combination of structured and unstructured approaches, resulting in semi-structured interviews.

The semi-structured interview approach was selected for this study due to its capacity to adapt and modify questions, allowing for a more tailored and in-depth exploration of the research topics (Alvehus, 2019). Prior to the semi-structured interviews, a startup meeting was conducted with the designated points of contact from the three banks. This meeting served as an opportunity to discuss the banks' sustainability initiatives and organizational culture in an informal setting. This interaction played a vital role in shaping and preparing relevant interview questions based on the theoretical framework presented in *Chapter 2*. The semi-structured interviews employed a predetermined set of questions to the participants, but the order in which they were presented varied. These questions were formulated in a broad and open-ended manner to encourage comprehensive and insightful responses. Furthermore, the semi-structured approach allowed for the opportunity to ask follow-up questions, which ensured that necessary and nuanced information was obtained (Alvehus, 2019; Bryman & Bell, 2017). An important aspect of the structured interview, that also applies to semi-structured interviews, was the introduction phase. During this phase, we introduced ourselves, clarified the purpose of the interview, outlined the methodology employed, ensured confidentiality, and sought permission to record the audio. This introductory stage aimed to establish a comfortable and transparent environment to foster an open and honest dialogue.

In total, this study conducted 15 interviews, comprising three sustainability managers, three HR managers, and nine employees. Each group was presented with a different set of questions to gather comprehensive insights and perspectives from their respective point of view. Alvesson (2011) explains that it is beneficial to involve people from different departments of the same project when doing an interview study. Therefore, this study established specific criteria for the inclusion of interviewees. These criteria encompassed the following aspects: (1) the selected banks had to be major commercial banks operating in Sweden; (2) the sustainability and HR-managers were required to have a close working relationship with the top-management team within the bank, thereby possessing specialized expertise in their respective fields and occupational standing; and (3) employees that not primarily work in sustainability or HR were

included in the study to investigate their perspectives on the management's efforts in integrating sustainability into the organizational culture.

In *Table 3.1*, the participants are presented. Due to the assured coincidentally and anonymity, the information is restricted.

Table 3.1: List of interviewees

#	Role	Duration (min)
1	Sustainability manager	40
2	Sustainability manager	45
3	Sustainability manager	50
1	HR-manager	55
2	HR-manager	50
3	HR-manager	45
1	Employee	35
2	Employee	35
3	Employee	55
4	Employee	35
5	Employee	40
6	Employee	35
7	Employee	35
8	Employee	40
9	Employee	45

3.2. Data Analysis

A thorough review of the audio recordings and transcripts from the 15 semi-structured interviews was conducted to analyze the empirical data. The data was manually coded to find the main challenges and most prominent solutions. To determine these, the coding process was guided by two key criteria: (1) the frequency of their mention by the participants; and (2) their perceived importance in the context of the research questions and purpose. To establish the categorization of challenges and solutions, we examined the factors that influenced the identified obstacles and actions, ensuring their alignment with the primary clusters. The

challenges were classified into seven distinct groups, while the solutions were categorized into five groups. Moreover, additional factors impacting the challenges and strategies for implementing the solutions were identified. This is illustrated in *Table 4.1* and *Table 4.2*. The identification of key themes and patterns in the data enabled the drawing of conclusions regarding the main challenges faced by participants when incorporating sustainability into the culture and the solutions that were most prominent in addressing these obstacles.

3.3. Critical Approach

3.3.1. Validity and Reliability

Ensuring the quality and credibility of research findings is crucial, and validity and reliability are key components of achieving this. As defined by Bougie and Sekaran (2016), validity refers to the degree to which a research instrument measures what it is intended to measure, while reliability measures the consistency and stability of research results. However, the nature of qualitative research presents certain challenges to the conventional concepts of validity and reliability (Alvehus, 2019).

This study adopted a rigorous and systematic approach to maintaining the credibility of the findings. To ensure the validity of the research, a comprehensive theoretical framework was developed to identify key concepts and variables related to sustainability, organizational culture, and change management. This framework served as the basis for constructing *Figure 2.1* and guided the formulation of the interview questions. Given the multifaced nature of sustainability and organizational culture, it was crucial to ground the interview protocol in our interpretations of these concepts. Appropriate and relevant questions were carefully selected to explore the main challenges and most prominent solutions to overcome these barriers. To confirm the validity of the results, the interview findings were compared with existing knowledge in the field, and alternative explanations were considered and presented in the analysis.

To ensure the reliability of the study, several measures were taken. Detailed instructions were provided to the participants during the interviews to ensure consistency and minimize potential misunderstandings in data collection. The interview protocol was tailored to suit each stakeholder group, as their knowledge and expertise in the field varied. This approach allowed for a comparison of responses across different versions of the interview protocol and enabled

an assessment of the impact of the participants' role on their answers. Category reliability, a subcategory of reliability (Sekaran & Bougie, 2019), was used during the categorical classification of our data, further enhancing the overall reliability of the research.

3.3.2. Biases

To ensure optimal and precise interview outcomes, it was crucial to be aware of biases and how to prevent them. Biases in this context denote inaccuracies or mistakes in data collection that can arise from the interviewer, interviewee, or environmental factors (Sekaran & Bougie, 2016). Furthermore, three additional elements, namely nonparticipation, trust levels, and physical settings, can also introduce bias into the data. In situations where participation is limited due to unwillingness or inability, there exists a potential bias in the data, as the responses of participating and non-participating interviewees may exhibit differences. Furthermore, a lack of trust in the interviewer may influence the candidness of responses, potentially leading to less open answers from the participant. Lastly, the interview settings might bias, e.g., the participant not feeling safe in the setting or place, thus, not answering fully honestly (Sekaran & Bougie, 2016).

Awareness of potential biases and the implementation of measures to mitigate and minimize these risks are crucial during the interview process. To ensure a professional and unbiased approach, it was essential to convey enthusiasm and confidence during the interview process (Sekaran & Bougie, 2016). Several tools were employed to prevent bias in the interviews. As a first step to establishing trust with the participants, they were informed about their anonymization in the study. This ensured that their responses could not be attributed to them personally and, therefore, would not have any adverse effects. As a second remedy, both notetaking and audio recordings were utilized to capture accurate information without being influenced by our interpretation or memory lapses. Research has shown that recording interviews instead of relying on notetaking can lead to greater accuracy and allow interviewers to fully concentrate on the interview process (Alvehus, 2019). Nonetheless, recording the interview may introduce certain biases and compromise participant anonymity (Sekaran & Bougie, 2016). To address this concern, explicit permission was obtained from participants, only audio recordings were used, and confidentiality measures were maintained to prevent any external access to the recordings. Finally, the interviewees were required to confirm their

participation before beginning the study to avoid any bias stemming from non-participation or reluctance to engage in the research process.

3.4. Limitations

The present study has acknowledged the potential risks associated with the number of interviews conducted. Given the focus on three of the largest banks with a significant employee base, variations in individual perceptions regarding the challenges of incorporating sustainability in organizational culture may arise. To address this potential issue, the research design encompassed a diverse range of interviews and considered variations in gender, age, and job position across the participating companies. This approach aimed to mitigate the identified risks and increase the robustness and validity of the study's findings.

The interviews were conducted in Swedish to facilitate a comfortable and fluent expression of thoughts and ideas by the participants in their native language. Although the use of the Swedish poses a potential risk of translation errors, this was mitigated by the fact that the interviews were not intended to be shared publicly in this research. Therefore, the analysis of the interviews could be conducted in Swedish, reducing the potential for translation errors.

Furthermore, semi-structured interviews were used as the methodology. This approach allowed for a guided conversation while also providing participants with the opportunity to express their perspective. The flexibility of this approach was a significant advantage, as it enabled the modification of questions to effectively address the research questions. Nonetheless, it is essential to acknowledge that alternative methodologies, such as surveys, may have yield different outcomes. Another limitation of using a semi-structured methodology was the variation in interview duration, ranging from 35 to 55 minutes, depending on the information the interviewees were willing or able to provide.

In the context of conducting interviews, it was imperative to recognize the ethical implications that may arise. Specifically, the nature of the interview content may elicit sensitive information that the interviewee wished to remain confidential or undisclosed to the public. Therefore, the interviewees were promised confidentiality, anonymity, and informed consent for audio recording before commencing the interview process. During the interview, the participants was also assured that they would be contacted beforehand to obtain their permission to be quoted.

Given the study's limited timeframe, the number of interviews conducted, and the diversity of participants were affected. It is crucial to strike a balance between the number of interviews, the depth of the interviews, and the scope of coverage. With a longer duration, a greater number of interviews could have been conducted, encompassing a broader range of individuals. Nevertheless, the study included individuals from diverse managerial levels and did not exclusively focus on sustainability and HR-managers. Furthermore, in-depth interviews were conducted with participants occupying different roles within the organization, contributing to a more comprehensive understanding of the subject matter.

4. Empirical Data

This chapter provides a presentation of the empirical data collected for the study. It begins with an introduction to the banks that were included in the research, offering important contextual information and insights into three of the largest banks in Sweden. This chapter proceeds to present the findings derived from the 15 conducted interviews, aiming to provide the reader with a clear understanding of the results obtained.

4.1. Background

4.1.1. Handelsbanken

Background: Handelsbanken was founded in 1871 and has 12 000 employees working in Sweden, Norway, Netherlands, and Great Britain. The bank is one of the major banks in Sweden (Handelsbanken, 2023a).

Sustainability and Organizational Culture Vision: In Handelsbanken's Sustainability Factbook 2022, the core values stated as *low-risk tolerance, local engagement, and long-term customer relationship*. This includes the environmental, financial, and social aspects through, e.g., responsible financing, responsible service, and advisory service. Furthermore, is the social aspect of corporate responsibility addressed through good business ethics, the bank's role in the community, and the bank as an employer (Handelsbanken, 2023b). A central part of the Handelsbanken corporate culture is decentralization. They are working towards decentralization, and all business decisions are made close to the customer. Their other core values are the *customer in focus, trust of the individual, great personal responsibility, collaboration ability, and long-term relationships* (Handelsbanken, 2023c).

4.1.2. Nordea

Background: Nordea has been operating for 200 years and has 26 000 employees. They are employed in Nordic countries, including Sweden, Finland, Denmark, and Norway. Nordea is one of the largest banks in Sweden (Nordea, 2023a).

Sustainability and Organizational Culture Vision: The annual report of Nordea showcases its sustainability efforts and initiatives. They have divided it into four strategic pillars: *financial strength, climate action, social responsibility, governance, and culture*. The UN Sustainability

Goals were identified for each pillar and explained how Nordea could positively impact them (Nordea, 2023b). For the organizational cultural vision, Nordea states one primary purpose with their work “We enable dreams and aspirations for a greater good.” This is followed by four core values that permeate the organization: *collaboration, ownership, passion, and courage* (Nordea, 2023c).

4.1.3. Swedbank

Background: Swedbank is one of Sweden's largest banks that also operates in Estonia, Latvia, and Lithuania. The bank was founded in 1820 and has around 16 000 employees, making it one of the major banks in Sweden (Swedbank, 2023a).

Sustainability and Organizational Culture Vision: Swedbank presents its sustainability vision in the annual report, and it is stated as “A financially sound and sustainable society” (Swedbank, 2023b, p.9). This is done through an environmental, social, ethical, and financial perspective. Their vision is integrated into five focus areas which are: helping *customers to transition, sustainability management, implementing new sustainable finance regulations, sustainability and data analysis*, and lastly, *employee training*. Furthermore, the three words – open, simple, and caring, values are integrated into their identity and the basis of the organizational culture (Swedbank, 2023b).

4.2. Results

The study involved a total of 15 interviewees, consisting of four women and eleven men. The age range of the participants spanned from 30 to 63 years old. A handful of employees who were not primarily working in the sustainability or HR field expressed interest in participating in sustainability initiatives based on their personal passions. As outlined in *Chapter 3*, the empirical data was coded and categorized, leading to the identification of seven main challenges and five prominent solutions. Although the number of challenges exceeded the number of solutions, it is important to note that a single solution can address multiple challenges.

Table 4.1 presents a comprehensive list of the main challenges identified during the interviews. The left column of the table provides a breakdown of the primary challenges, as well as the factors influencing them, which are presented in the brackets. The right column outlines the

interviewee's position who reported the challenge, along with the total number of individuals who cited it as an obstacle. The main challenges are visualized in *Figure 4.1*.

Table 4.1: List of main challenges identified through empirical data and influencing factors

	<i>Challenges</i>	<i>Role (Total)</i>
#1	Lack of interest and motivation: (Limited support from managers, age, personal interest and values, knowledge, background, and insufficient availability of measurement)	Sustainability manager #1, Sustainability manager #2, HR- manager #1, HR-manager #2, HR- manager #3, Employee #1, Employee #2, Employee #4, Employee #5, Employee #6, Employee #7, Employee #8, Employee #9 (13)
#2	Concretization: (Vague definition, difficulties in prioritizing tasks, unawareness of sustainability initiatives and goals, and lack of effective communication)	Sustainability manager #2, Sustainability manager #3, HR- manager #1, HR-manager #3, Employee #1, Employee #3, Employee #4, Employee #5, Employee #6, Employee #8, Employee #9 (11)
#3	Lack of time and resources: (Heavy workload, elevated stress, and difficulties in prioritizing tasks)	Sustainability manager #2, HR- manager #2, HR-manager #3, Employee #3, Employee #4, Employee #5, Employee #6, Employee #7, Employee #9 (9)
#4	Measuring tools: (Lack of a distinct approach for social sustainability, absence of comprehensive frameworks, ethical dilemmas)	Sustainability manager #2, Sustainability manager #3, HR- manager #1, HR-manager #2, HR- manager #3, Employee #3, Employee #7

#5	Not business-relatable: (No clear alignment, disconnection between social sustainability education and business)	(7) Sustainability manager #2, HR-manager #1, HR-manager #2, HR-manager #3, Employee #4, Employee #7, Employee #8
#6	Cultural change: (Deep-rooted organizational culture, lack of diverse workforce, culture as a driving force, incompatible subcultures, time constraints, fear of the unfamiliar)	(7) Sustainability manager #3, HR-manager #3, Employee #3, Employee #5, Employee #9, (5)
#7	Lack of knowledge: (Fuels the status quo, insufficient educations)	(5) Sustainability manager #1, HR-manager #1, Employee #5, Employee #6, Employee #8

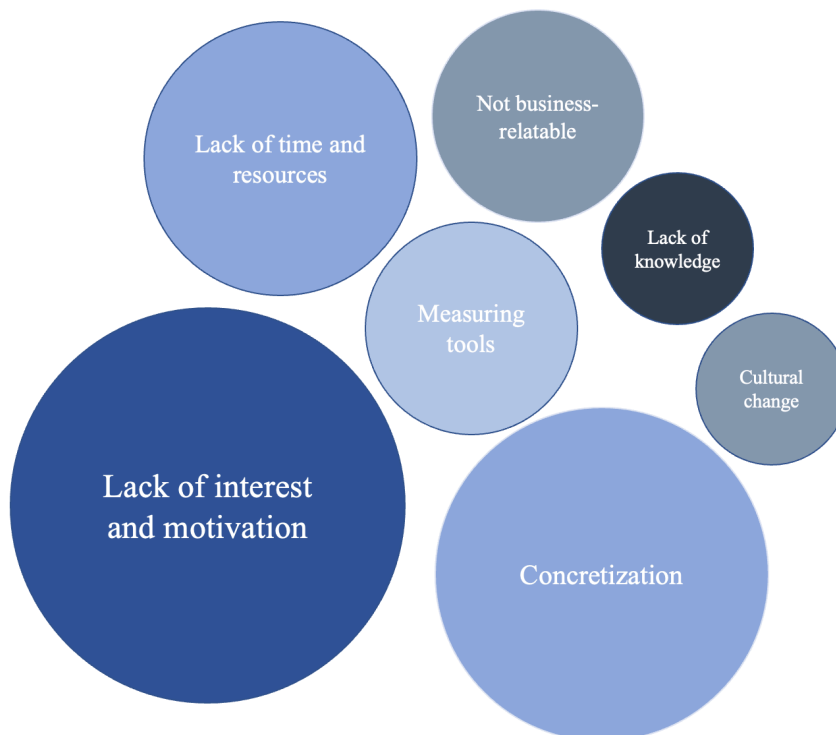


Figure 4.1: Challenges visualized

Table 4.2 consists of the most prominent solutions the banks have implemented to overcome the barriers presented above. The implementation strategies that support the solutions are listed in brackets, as in Table 4.1. The solutions are presented in the left column in the table, while the right column specifies the role of the interviewee who proposed the solution and the total number of individuals who referred to it as a solution. The most prominent solutions are visualized in Figure 4.2.

Table 4.2: List of solutions for overcoming the challenges from the empirical data and implementation strategies

	<i>Solutions</i>	<i>Role (Total)</i>
#1	Education: (Inclusive and targeted training programs, practical and applicable knowledge, continuous learning and evaluation, personalized training sessions, constructive feedback, and support)	Sustainability manager #1, Sustainability manager #2, Sustainability manager #3, HR- manager #1, HR-manager #2, HR- manager #3, Employee #1, Employee #2, Employee #3, Employee #4, Employee #5, Employee #6, Employee #7, Employee #8, Employee #9 (15)
#2	Sustainability Ambassadors: (Facilitate focus groups, empower employees passionate about sustainability, decentralize responsibilities, provide guidance, and establish a dedicated point of contact)	Sustainability manager #1, Sustainability manager #2, Sustainability #3, HR-manager #1, HR-manager #2, HR-manager #3, Employee #1, Employee #2, Employee #3, Employee #4, Employee #5, Employee #6, Employee #9 (13)
#3	Engage Managers: (Equip managers with relevant knowledge and skills, foster a top-down	Sustainability manager #2, Sustainability manager #3, HR- manager #1, HR-manager #2,

	approach, as well as bottom-up involvement, and investments in HR)	Employee #1, Employee #3, Employee #6, Employee #9 (8)
#4	Values, norms, and behavior: (Shared vision, promote diversity, cross-cultural communication, equal opportunities, and shape actions both within and beyond the bank)	Sustainability manager #2, Sustainability manager #3, HR-manager #1, HR-manager #2, HR-manager #3, Employee #1, Employee #3, Employee #4 (7)
#5	Measuring tools: (Set individual sustainability goals, conduct corporate culture audits, and concretization through numbers)	Sustainability manager #2, HR-manager #1, HR-manager #3, Employee #3, Employee #7 (5)

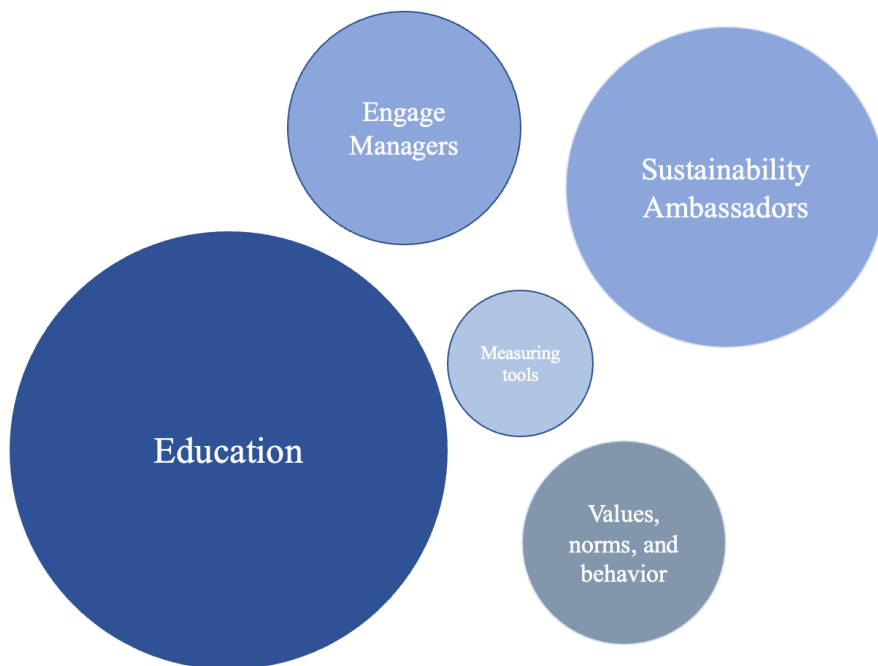


Figure 4.2: Solutions visualized

5. Analysis and Discussion

This chapter has critically analyzed the results from the empirical data collected through the interviews conducted and discussed the research questions in relation to the theoretical framework. The examination has focused on how the identified challenges and solutions are related to the study's three central concepts: sustainability, change management, and organizational culture. At the end of the chapter, Figure 2.1 is enhanced with additional insights gained from the analysis. The participants quoted are listed in Table 3.1.

5.1. Sustainability

All banks are working with sustainability, and it becomes more and more prominent every year. The interviews show that the concepts of Environmental, Social, and Governance (ESG) and Corporate Social Responsibility (CSR) are commonly referred to. Employees may have become more knowledgeable about these concepts due to their frequent use in the corporate world. However, after conducting research and interviews, it is clear that sustainability is a difficult concept to grasp with a vague definition, which is supported by the literature as well (Boström, 2012; Gitsham & Clark, 2012; Pruvit, Mao, & Robinson, 2018; Jacobo-Hernandez, Jaimes-Valdez & Ochoa Jiménez, 2021).

According to the employees interviewed, it is challenging to determine what to prioritize and how to convey sustainability to customers due to the constantly evolving nature of the concept. Furthermore, a few employees mentioned that they were unaware of the sustainability goals and initiatives of the bank and could not turn to their closest manager for these questions. One employee pointed out that "I cannot bring up sustainability issues with my manager. They have delegated these questions to the sustainability manager due to lack of time and full knowledge." (Employee #5), and another expressed their indifference by stating, "I cannot say that my managers are super interested, or it is not something you hear about." (Employee #8). When employees cannot discuss sustainability issues with their closest managers, it can result in a lack of interest and motivation. Educating and motivating employees to incorporate sustainability into their work can be challenging for managers when they do not clearly understand its importance. Employees and managers have expressed the need for a concrete definition and clear communication to grasp the concept. However, communication within an organization can be challenging, but it is crucial to establish shared norms and a clear vision to ensure everyone is on the same page.

This study examines three of the largest banks in Sweden that have been in operation for nearly 200 years and have employees with longstanding tenure, resulting in a deep-rooted organizational culture. This can make cultural change even more challenging than in a small organization. To tackle this challenge, employees must be actively involved and fully grasp the reason behind the bank's sustainability efforts. This can be achieved through education, but it is important to emphasize that annual training sessions may not be sufficient. The education provided should be business-related, practical, and reinforced with follow-up sessions to ensure that employees comprehend its significance and can incorporate it into their daily responsibilities. This was further stressed by, for example, employee #6 and sustainability manager #2, who emphasized that the leading banks in Sweden must prioritize sustainability to retain both employees and customers. The demand for sustainable options within banking is increasing due to legal requirements, regulations, and customers' demands. Hence, banks must educate their staff in all departments about sustainability and ensure it is relevant to their business. In addition, engaging employees to meet customers' sustainable preferences can serve as a motivational factor.

Corporate sustainability is a valuable tool for organizations to incorporate as it attracts and retain talents, reduces costs, and manages risks (Jacobo-Hernandez, Jaimes-Valdez & Ochoa Jiménez, 2021; Sullivan, 2014). The organization has a lot to earn when they successfully integrate sustainability. But on the other hand, this requires effort from the organization in ways such as commitment, leadership, and vision creation, as supported by Jacobo-Hernandez, Jaimes-Valdez, and Ochoa Jiménez (2021). The empirical data shows that lack of interest and motivation, concretization, and lack of time and resources are the most significant challenges. In this case, sustainability can be seen as something that needs to be incorporated into the culture but might meet resistance in the change management process.

Several reasons were given for the employees' lack of interest, motivation, time and resources. Firstly, people who were not interested in sustainability found it challenging to get involved. In contrast, those who already valued sustainability was a driving force for integrating and continuously working with it through, e.g., focus groups or as sustainability ambassadors. In this context, age and different generations were discussed as factors impacting personal values, background, interests, and knowledge related to sustainability. Secondly, it was often mentioned that there was insufficient time to engage in these questions. It was simply other

tasks that were more prioritized, relevant, and engaging. This is a challenge when incorporating sustainability into corporate culture, as it needs to be a part of every group and individual. When people do not have enough time, their personal values and interest affect how much they are willing to engage, as Lauer (2021) stated. The consequences of having limited time and resources and how it affects the sustainability efforts from individuals were also underlined by an employee who expressed that sustainability is “[...] a question that somehow relies on one's personal drive and commitment towards it.” (Employee #6). Lastly, the view that sustainability is hard to quantify and that measuring tools are lacking, can create a barrier to motivation. In the banking sector, many tasks are directly business-relatable and can be measured, which was found more motivational than not measurable initiatives.

As mentioned in the section above, age and different generation was expressed by the younger selection of interviewees as a challenge to motivate and inspire employees to engage in sustainability initiatives. One manager also underscored this and presented a plausible explanation, suggesting, "It could be the case that many younger individuals have a different interest driven by values compared to older ones.” (Sustainability manager #2). According to Alvesson and Sveningsson (2016), older individuals may have a stronger attachment to their current company, making it more difficult for them to accept changes, which could be the case when new sustainability initiatives are to be implemented. However, as shown in this research, the people holding the higher sustainability and HR-manager positions were passionate about sustainability regardless of age. It is, therefore, incorrect to assume that age is the sole determining factor in one's interest and motivation to integrate sustainability. Engaging managers in the process can help them better understand their employees' behavior and reasons for resisting change rather than making assumptions about specific groups.

It is often believed that measuring sustainability is a difficult task. According to existing literature presented by, e.g., Boström (2012), measuring the environmental dimension is more straightforward than measuring the social aspect. This could be because more laws and regulations are in place concerning the environment, requiring more measuring tools. However, measuring social sustainability is still possible but may require a different approach. Based on the interviews, it became evident that banks experienced greater perplexity in developing tools for social sustainability, as articulated by one manager, “If we look at the social issues, we do not aggregate the measurements in the same way. The social aspect is an area that has grown a lot, but I believe we lack the frameworks for how to proceed.” (Sustainability manager #2).

However, incorporating measuring tools can be seen as a solution for motivating, creating interest, and concretizing the concept of sustainability within the banks. The common quote “What gets measured gets done” was reinforced by several interviewees (Sustainability manager #3; HR-manager #3; Employee #3), as well as literature that emphasizes the impact measuring has in terms of creating importance (Herget, 2023, p.3). In addition, having data and information might help employees to understand how they can positively contribute to achieving the sustainability goals of the bank, which could be seen as a driver for motivating employees. For measuring social sustainability internally, the banks can measure factors such as gender and diversity inclusion, both overall in the organization but also in leadership positions and different groups.

Social sustainability can also be measured through employee surveys, work environment, number of sick leave, and well-being. Although measuring social sustainability may be more ambiguous than measuring, for instance, a bank's carbon emissions, it remains a critical component of integrating sustainability into the organization. This necessitates initiative from top-management teams to place the issue on the agenda and engage managers who currently do not prioritize these concerns. However, it is essential to remember that there can be more ethical dilemmas when measuring social sustainability internally. For example, when providing a survey, the questions must be presented in a way that the receiver cannot interpret as offending or too personal. It can therefore be challenging to measure, for example, diversity because it can be hard to define the target group and not disfavor employees. Furthermore, individuals might not be willing to identify, for instance, their ethical background due to fear of being discriminated against or because of privacy concerns.

According to Schönborn et al. (2019), if an organization prioritizes social sustainability, it increases the likelihood of incorporating other sustainability initiatives. Having a diverse workforce is an asset for the banks as it, for example, makes it easier to handle challenges and find solutions. In addition, it represents the customer base and creates more creativity, as stated by Johnston and Packer, (1987), Cox and Blake (1991), Jayne and Dipboye (2004) and Hunt, Layton, and Prince (2015). While a diverse workforce is often seen as a potential driver of organizational performance, the mere presence of diversity alone does not guarantee positive outcomes. Instead, organizations must implement appropriate strategies and tools to leverage the potential benefits of diversity and utilize it to its fullest extent, which is explained by Jayne

and Dipboye (2004). This requires a proactive approach toward diversity management beyond mere compliance with legal requirements.

Organizations must create an inclusive corporate culture that values and respects diversity, promotes cross-cultural communication, and provides equal opportunities for all employees. It has been clear from the interviews that there needs to be more diversity within the banks. There have been improvements during the last decade. However, there is still a stereotype that an employee at a major Swedish bank is a middle-aged white man wearing a suit. Even though this is entirely not the case, there is still a need for more diversity and inclusion that defy this image. Several challenges were raised in relation to this during the interviews, such as its being a difficult sector to enter as the recruitment for positions is usually done internally, there are requirements for specific education, and a language barrier in some positions. For the banks to be more successful and stay updated on the norms and values in society overall, diversity needs to be integrated further.

5.2. Change Management

Banks that want to adopt sustainable practices may find it challenging to change their corporate culture. To successfully make this shift, aligning the "softer" elements of people and leadership with the "harder" elements of structure and systems is crucial. This involves changing values and behaviors, as well as making strategic changes that provide tools for integrating the "softer" values (Alvesson & Sveningsson, 2016). While the concept of aligning "soft" elements with "hard" elements helps understand the complexity of changing culture towards sustainable practices, it is important to recognize that the term "soft" can be misleading, as it may imply that these elements are less significant or less valuable than their "hard" counterparts. This may further perpetuate the notion that the human dimension of an organization is less crucial to its success than its structure and processes. However, the empirical data has demonstrated that it is through these "soft" elements that corporate culture is shaped and sustained, making it imperative to integrate people, leadership, and shared values into the core business strategy and structure. This was reinforced by an employee who stated, "Culture eats strategy for breakfast. It does not matter what you write on paper. What matter is what people actually do." (Employee #2). The same notion is underscored by Hofstede et al. (1990) and Herget (2023), emphasizing that culture holds equal, if not more significant, importance compared to strategy.

Whether the change is driven by internal or external factors, planned or unplanned, it is crucial to involve bank employees in change initiatives (Lauer, 2021). As supported by Heracleous and Barrett (2001) and the empirical data, engaging managers and active leadership are also crucial to getting everyone on board. While managers may not be sustainability experts, they hold the power and authority to set the tone and assign tasks and responsibilities toward integrating sustainable practices and driving cultural change (Alvesson & Sveningsson, 2016). Furthermore, effective communication, tailored to employees' needs and preferences, is essential. To promote sustainability education, it is important to use multiple communication channels. For instance, our interviews revealed that some employees preferred interactive workshops while others responded well to short digital videos. Regardless of the educational approach, new skills and practices are often necessary to support sustainability efforts. Furthermore, the empirical data indicates that sustainability education should not be considered as a one-time event, but rather as a continuous learning process that requires a commitment to ongoing improvement. Therefore, employees must have opportunities to learn and develop new everyday skills beyond formal training courses, and leadership must support and encourage these sustainable practices.

Successful cultural change requires a commitment from leadership to prioritize sustainability at the top level, ensuring that the necessary resources and incentives are in place to support employee engagement in sustainability efforts (Lozano, 2013). Both employees and managers emphasized this, stating, “The best scenario is if you can get the managers on board” (Sustainability manager #2) and “I believe that leaders, or those in charge, must truly have a passion for the issues.” (Employee #5). In addition to a top-down approach to sustainability, employees can also drive change themselves. This is supported by interviews and research by Alvesson and Sveningsson (2016), who found that personal interests, values, and motivation can inspire employees to go beyond their regular work tasks. For example, many participants expressed a passion for numbers and profitability to make their work more tangible. Therefore, measuring individual progress in relation to sustainability can be an effective way to increase motivation and interest in this area. An employee expressed a personal commitment to this, remarking, “I have included in my development plan that I want to learn and become more involved in ESG because I think it is important and interesting.” (Employee #5). By incorporating specific goals related to ESG or other areas of importance, employees can proactively identify their strengths and areas for improvement. Moreover, teams can collectively enhance their performance and effectiveness by openly discussing individual

progress and sharing best practices. This collaborative approach fosters a culture of continuous improvement and ensures that the organization is constantly evolving and adapting to meet emerging challenges and opportunities. Measuring individual goals is not to hold employees accountable for their sustainability efforts, it is rather a valuable tool to incentivize employee engagement and foster a culture of sustainability.

There are numerous compelling reasons for banks to prioritize transformation and foster a strong corporate culture, as highlighted by Alvesson and Willmott (2002), who emphasize the significance of corporate culture as a driving force for change. A manager expressed an urgency for change by stating, “The companies that will be relevant in the future need to start their transformation now, not tomorrow or the day after, but they must work on it now.” (HR-manager #3). This highlights the importance of taking immediate action to adapt to the changing business landscape. A shift towards sustainable practices not only enhance the bank’s reputation but also creates a sense of purpose and shared values, which fosters customer loyalty. Additionally, placing a strong emphasis on sustainability gives banks a competitive advantage in attracting top talent. Through the interviews, it became evident that employees who resonate with the bank’s corporate cultural values are also more likely to be motivated and committed. This was expressed by one employee who stated that “If you identify with the values of the bank, I believe you can embrace sustainability issues in a different manner. These values become integrated into employees’ personal lives, shaping their actions and choices outside the bank.” (Employee #4).

Transforming organizational culture can be a challenging and complex process, particularly for established firms where entrenched attitudes may resist change. Therefore, it is crucial to note that cultural change initiatives entail certain risks. For instance, subcultures that are incompatible with the desired changes may emerge, resulting in a fragmented culture that undermines efforts to build a cohesive organizational culture (Schein, 2010). Incorporating sustainability into culture is a comprehensive change that can take anywhere from three to ten years (Kotter, 2012). Compared to other initiatives in the banking sector, sustainability is relatively new and can therefore be seen as foreign. As stated by Lauer (2021), employees tend to resist change when they perceive themselves as outsiders. The empirical data reveals that lack of knowledge and interest can fuel the status quo. Even though the participants did not explicitly mention this, it was evident that people could be afraid of the unknown. Furthermore, additional sustainability-related tasks added on top of employees’ regular workload could make

them feel constrained, which is again supported by Lauer (2021). Finally, resistance can occur when new initiatives for cultural change are implemented without supportive and engaging management, potentially leading to conflicts. Strategies for mitigating these challenges will be discussed in a later section.

Effective culture change towards sustainability requires managers to be trained and equipped with knowledge and skills to drive the shift in values and behavior. This investment in human resources can include hiring personnel with sustainability expertise or providing training materials and educational resources to existing managers (Sullivan, 2014). The interviews conducted revealed that banks tend to prioritize internal recruitment and development, rather than external hiring. Although this approach may potentially limit the pool of candidates possessing sustainability expertise, it does not necessarily preclude the promotion of existing employees who demonstrate a strong interest and aptitude for sustainability. Such an approach allows banks to cultivate a culture of sustainability, promote from within, and invest in the development of their human resources. By promoting from within, banks can also demonstrate a commitment to employee development, which can result in improved employee retention rates and increased job satisfaction.

Measuring cultural change in the context of sustainability is a complex and ongoing process without a clear start and end date, requiring a multifaceted approach (Alvesson & Sveningsson; Herget, 2023). While there is no one-size-fits-all measuring tool, change initiatives provide opportunities to assess the effectiveness of culture change efforts, as stated by Herget (2023). Through the interviews, it was discovered that crises could initiate or serve as a catalyst for change. One manager articulated this by stating, “Never waste a good crisis.” (Sustainability manager #3). During a crisis, the circumstances create a unique opportunity for implementing changes and assessing the progress of the change process more effectively. This is attributed to the distinct characteristics of crises, often marked by a clear and identifiable starting point. When the banks do not have a precise timeline but still desire to measure, they must concretely define what sustainability means for them and identify the specific behaviors and attitudes that need to change to align with their sustainability goals. This requires a comprehensive understanding of the organization’s internal values, practices, and beliefs and the external factors influencing culture, such as societal norms, political forces, or industry trends (Alvesson & Sveningsson, 2016).

Regularly assessing and evaluating cultural changes can help the banks improve and refine their sustainability strategies. Herget (2023) suggests utilizing a corporate culture audit that evaluates distinct cultural factors to ensure alignment between the organizational culture and the company's goals. The audit can involve various methods, such as surveys and interviews, but mixed formats have been shown to be the most successful. The empirical data indicated that all the banks utilized surveys to evaluate employee engagement. One manager provided further insights into the specific areas examined through employee surveys, stating, “We evaluate aspects such as workplace environment, overtime taken, and sick leave to mention some” (HR-manager #3). Banks can leverage this approach to further refine their sustainability efforts and ensure they align with their workforce's preferences and needs. The multi-method mix for corporate culture audits proposed by Herget (2023) involve conducting assessments through a workshop and/or using supplementary oral surveys, in addition to traditional written surveys. This approach can enable the banks to identify the gaps between the current and desired cultural state, thereby providing a solid foundation for establishing culture objectives that align with the company's goals and strategies. Measuring data is crucial but utilizing it properly and making it valuable is just as important. Banks must establish methods to analyze and comprehend the data, while also implementing effective strategies based on it. Sustainability ambassadors can play a vital role in interpreting these metrics, identifying patterns and trends, and providing valuable recommendations for aligning banking practices with environmental and social goals.

5.3. Organizational Culture

The concept of organizational culture remains challenging to operationalize, despite the vast amount of research that has been conducted on the topic (Schein, 1984; Hofstede et al., 1990; Alvesson, 2002; Schein, 2010; Alvesson & Sveningsson, 2016; Bolman & Deal, 2021; Yip et al., 2021; Herget, 2023). An employee further reinforces this notion, remarking, “I believe that people are longing for clarity because they get frustrated.” (Employee #9). Drawing upon the theoretical framework and the quote, it is apparent that concretization is needed for a more comprehensive understanding of culture and its impact on sustainability. While some interviewees in the banks emphasized the stated code of conduct and formal values as defining culture, others highlighted the importance of unwritten norms and symbols. The notion that culture can be intertwined with ethical conduct is supported by Schein (2010), Alvesson and Sveningsson (2016), as well as Herget (2023). This highlights the importance of adopting a comprehensive perspective on a corporate culture that accounts for both formal and informal

elements. Formal structures, policies, and procedures are essential for establishing a framework that supports sustainability initiatives. However, it is significant to recognize that the norms, values, and behaviors of employees can greatly impact the effectiveness of these strategies. It is vital to involve managers to comprehend their employees' informal values and beliefs, as well as to understand their motivation factors and needs. Thus, creating a culture that fosters a sense of ownership and engagement among employees towards sustainability is just as important as prioritizing sustainability as a core value and integrating it into the company's vision and strategy at the leadership level.

Based on the interviewees' perspectives, fostering a cultural shift towards sustainability can be achieved through various means, such as promoting employee involvement, recognizing and rewarding sustainable behavior, and providing education opportunities on sustainability principles. By engaging in these activities, employees can enhance their knowledge and skills in this domain and, thus, serve as sustainability ambassadors, contributing to positive organizational change (Sullivan, 2014; Barendsen, Muß & Silvius, 2021). However, it is worth noting that some employees expressed concerns regarding the perceived relevance of sustainability education to their job roles or responsibilities. A manager articulated this worry, stating, "For employees to feel motivated and embrace sustainable practices, it is crucial that it aligns with the business in order to embed it into the organizational culture." (Sustainability manager #2). Employees may not view such education as valuable or worthwhile without clear alignment, i.e., it not being business relatable. Moreover, some middle-aged participants highlighted a potential disconnect between social sustainability education and business profitability or success, reflecting Alvesson and Sveningsson's (2016) theory that the older generation may prioritize company loyalty over leadership goals. Tailoring sustainability education to meet employees' concerns involves understanding their specific needs, interests, and job roles and aligning education with organizational goals and values, including financial performance. Additionally, offering a range of educational formats and providing ongoing support and feedback can reinforce learning and promote sustainable behaviors in the workplace.

Time and resources can pose a significant challenge in engaging employees and managers in sustainability principles. Regardless of their interest in sustainability, many interviewees reported feeling overwhelmed by the added responsibility of sustainability-related tasks on top of their daily workload. An employee pointed out, "When there is a heavy workload, these

secondary activities do not become a priority. They end up increasing stress levels in the daily routine.” (Employee #3). As a result, they experienced decreased motivation and engagement in these efforts. The empirical data showed that decentralization can be an effective strategy to mitigate this challenge. In one of the banks that did not embrace decentralization, an employee expressed a sense of disappointment, stating, “I find it unfortunate that we see so little of the HR organization actively involved in the front line. There is a need for more support to managers in some form.” (Employee #3). By establishing a network of local HR-managers and sustainability ambassadors, banks can provide a direct channel of communication for employees, as well as managers to seek guidance and support in carrying out sustainability-related tasks and HR questions. This means those struggling with time or resource constraints can easily access the information they need to succeed. Having a designated point of contact or specific teams with an interest in sustainability can help streamline the process and ensure that tasks are completed promptly and effectively. This can help to prevent employees from feeling overwhelmed or overburdened by the additional responsibilities associated with sustainability initiatives.

By emphasizing sustainability as a core component of corporate culture, banks can contribute not only to environmental sustainability but also to diversity and equity, as mentioned above (Johnston & Packer, 1987; Cox & Blake, 1991; Jayne & Dipboye, 2004; Hunt, Layton & Prince, 2015). During the interviews, it was observed that women expressed a greater interest in the social sustainability aspect of banking operations due to their personal beliefs, values, and experiences. However, the participants that held the highest positions within sustainability and HR were men. While this observation does not necessarily indicate intentional gender bias in hiring and promotion practices, it does suggest that structural barriers or unconscious biases may contribute to the underrepresentation of women in leadership positions within these banks. A manager highlighted the need for a more profound integration of diversity and inclusion, stating, “Frankly, this type of issue should be deeply ingrained in everything we do. Even though it is 2023, unfortunately, that's not the case.” (HR-manager #3). Fostering a culture that prioritizes diversity and inclusion can be done by engaging employees and managers in norms, values, and behaviors that promote an environment where all individuals feel valued and supported, regardless of gender or other factors. The use of “culture hacks”, as proposed by Herget (2023), has gained increasing importance for managers in promoting an inclusive corporate culture. Culture hacks can be an effective means of addressing discriminatory behavior and promoting a positive workplace culture. Through culture hacks, managers can

confront employees engaging in discriminatory behavior, identify the root causes, and trigger a process of self-reflection that enables employees to align their behavior with the desired culture.

5.4. Applying and Expanding the Analytical Model

The analysis and discussion have utilized the analytical model in *Figure 2.1*, which has led to an expanded model, as shown in *Figure 5.1*. The empirical data identified two main starting points for integrating sustainability into the corporate culture, as illustrated by the red arrows in *Figure 5.1*. One starting point is related to external pressure due to the increased importance of sustainability practices for business from, e.g., politics, regulations, and societal norms, which led to implementation from top management. The second starting point is related to internal drivers, where employees who are part of the organizational culture can be drivers due to their personal values, interests, and knowledge within the field of sustainability.

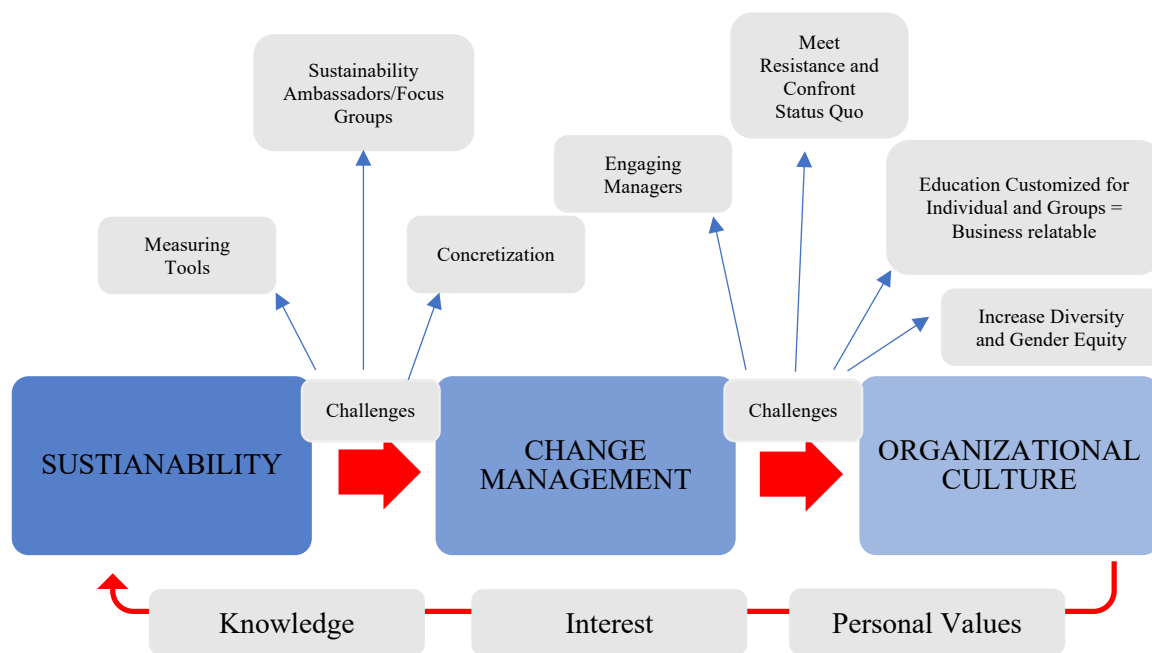


Figure 5.1: Expanded Analytical Model: Summarizing the analysis and discussion

Based on the empirical data, the integration of sustainability into the organizational culture within the banking sector poses significant challenges and obstacles. To overcome these challenges, change management techniques can be employed. In this context, it is imperative

to implement *measuring tools* to provide more *concretization* regarding sustainability. Furthermore, doing this facilitates employees to understand by using numerical data. As evidenced by the sections above, numbers have proven to be a motivational factor for banking employees instead of relying solely on words or strategies from management initiatives. Moreover, measuring all dimensions of sustainability will help prioritize it, as the measured things are more likely to be acted upon. In this stage, *sustainability ambassadors* and focus groups are essential as they can inspire and motivate others, enabling the organization to leverage the diverse skills and expertise of its employees. Additionally, they can have a crucial role in translating the data derived from measurements into actionable insights and initiatives.

However, new challenges may arise in the change management and organizational culture phase. To ensure a smooth transition, managers at all levels of the organization need to be engaged and inspire their employees. Doing so can address potential resistance to change, and the status quo can be challenged. *Engaging managers* can also tailor sustainability initiatives to be more business-related and customized, considering the needs of each individual and group. It is essential to recognize that the *values and norms* within the organization determine the employees' interests and level of engagement in making the bank more sustainable. Therefore, fostering a culture that supports sustainability and reinforces its importance to the organization is crucial. Finally, another aspect highlighted by the empirical data to foster greater *diversity and gender equity* within the Swedish banking sector. When diversity and gender equity is implemented correctly, it not only led to financial benefits, but it also reflects the customer base of the bank.

6. Conclusion and Future Research

This concluding chapter provides a comprehensive overview of the research conducted in this study. It begins with revisiting the purpose and research questions to ensure they have been fulfilled and answered. The chapter then summarizes the main findings and takeaways derived from the empirical data and results obtained. Lastly, recommendations for future research are elaborated upon.

6.1. Conclusion

This study aimed to explore how the Swedish banking sector incorporates sustainability principles into its organizational culture. It sought to identify the primary obstacles banks encountered in their sustainability efforts and examine their strategies to overcome these barriers. The result gained from this study provides practical insights for banks to adopt a more integrated approach to sustainability across their values and practices. It also contributes valuable knowledge to the management field in terms of shedding light on the correlation between sustainability and organizational culture. To fulfill the purpose, two research questions were asked:

- 1. What are Swedish banks' main challenges when attempting to integrate sustainability principles into their organizational culture?*
- 2. Which are the most prominent solutions the banks have implemented to overcome these barriers?*

To answer the research questions, this study conducted semi-structured interviews with the sustainability manager, HR-manager, and employees of three major banks in Sweden namely: Handelsbanken, Nordea, and Swedbank. Through this process, this research gathered empirical data that enabled the study to achieve the research purpose and provide answers to the questions posed. To analyze the data and understand the connection between sustainability, change management, and organizational culture, *Figure 2.1* was developed based on the theoretical framework. The model was further expanded in *Figure 5.1* with insights and knowledge acquired from the interviews. The study's findings consisted of seven main challenges and five solutions that the interviewees presented. The challenges include lack of interest and motivation, difficulties in concretizing, limited time and resources, insufficient availability of appropriate measuring tools, lack of business relevance, resistance to cultural change, and

knowledge gaps. Furthermore, the most prominent solutions presented were education, the appointment of sustainability ambassadors, active engagement of managers, alignment with values, norms, and behaviors, and the implementation of effective measuring tools. The result obtained from this qualitative study revealed that motivating and generating employees' interest in sustainability posed the most prevalent challenge. The most prominent solution that emerged was the incorporation of diverse educational approaches tailored to the specific needs of the business and its relevance to sustainability. The ranking of these challenges and solutions was determined by the frequency of occurrence in the interviews, providing insights into the primary obstacles and strategies for overcoming them. However, it is crucial to recognize that these challenges and solutions are intertwined and mutually influential, and therefore, it is important to remember to not only put a value to the ranking without considering the interconnections.

The empirical data from this research shows that to promote sustainability within the Swedish banking industry, there should be an increase in interest, knowledge, and motivation toward sustainable practices. This requires clearly understanding the concept and educating individuals and groups on how it relates to their business perspective. This might face resistance, as the three banks have a long-standing culture. However, it can be met with customized education, engaging leaders, and the implementation of new measuring tools. Moreover, internal drivers for increasing the sustainability engagement of the bank, such as personal values and interest, play a significant role in engaging employees, which should be utilized in this context. External drivers also play an essential role, but it is more crucial for integrating sustainability in strategies rather than into the corporate culture.

The study's analysis and discussion reveal a clear connection between sustainability, change management, and organizational culture. This means that identifying the challenges and solutions can be complicated, as some challenges occur in multiple situations, and the same solutions can be used in different instances. This somehow emphasizes the importance of not only focusing on sustainability strategy or vision when incorporating sustainability, as it also is necessary to address the corporate culture to reach and engage with everyone involved effectively.

6.2. Future Research

In addition to the research questions and delimitations outlined in this study, several potential areas for future research could further build upon the findings of this investigation.

Given that this study exclusively focuses on the Swedish banking sector, it presents an evident opportunity to conduct a comparative study to explore the differences and similarities in incorporating sustainability principles into the organizational culture in other countries. A comparative study would broaden the understanding of the challenges and opportunities banks encounter while integrating sustainability into their culture and offer valuable insights into best practices that can be shared globally. In particular, a cross-country comparison would allow for a more robust analysis of the cultural, social, and political factors that influence the implementation of sustainability in different contexts.

Moreover, while this study primarily centers on the perspectives of employees and managers within the banks, several other stakeholders are affected by an organization's sustainability practices. Hence, future research could examine the perspectives of other stakeholders, such as customers, regulators, and shareholders, to better understand their perception of the role of sustainability. This would provide a complete picture of the impact of sustainability practices on all relevant stakeholders and allow banks to tailor their initiatives better to meet the needs and expectations of these diverse groups.

Although this study did not specifically focus on differences in intersectional grounds, there is a clear opportunity to explore whether there are any disparities in how different intersectional backgrounds could perceive the integration of sustainability principles into organizational culture. For example, an investigation into potential differences in age and gender could help to shed light on essential nuances in how distinct employee group's view and engage with sustainability practices. This would allow banks to identify and address potential barriers to participation in sustainability efforts and customize their initiatives to be more inclusive and effective.

Furthermore, this study excludes smaller banks from the research scope. However, there is potential for future research to explore the challenges faced by smaller banks in integrating sustainability principles into their corporate culture. Smaller banks may face unique challenges in integrating sustainability into their culture, as they may have fewer resources and a smaller

workforce than larger banks. Nevertheless, they may also have the advantage of being more agile, allowing them to implement sustainability initiatives more quickly and effectively than major banks. An investigation like this would contribute to a more comprehensive understanding of the factors that influence the successful integration of sustainability into culture across various organizational sizes.

7. Recommendations

Building upon the literature, empirical data, analysis, and discussion, this chapter presents a set of recommendations that exceed current solutions. These recommendations are designed to offer practical insights and tools for corporations operating within the Swedish banking sector, enabling them to effectively integrate sustainability into their organizational culture while addressing potential resistance to change. By doing so, these recommendations aimed to facilitate the successful adoption of sustainable practices and foster a positive cultural shift within the sector.

Based on the exploratory research, the empirical data identified several challenges that Swedish banks encounter when integrating sustainability within the corporate culture, as well as solutions they have implemented to overcome them. Given the restricted nature of this study, only limited recommendations can be provided in *Table 7.1*.

Table 7.1 Recommendations

<i>Challenges</i>	<i>Recommendations</i>
Lack of interest and motivation	<ul style="list-style-type: none"> ○ Implement training programs and hold workshops to share success stories ○ Provide incentives to employees ○ Create a sense of ownership and pride, e.g., by involving employees in the planning and implementation stages
Concretization	<ul style="list-style-type: none"> ○ Formulate a common understanding of sustainability and culture: make it business-relatable to each unit ○ Use real-life examples and case studies ○ Provide specific examples of how small individual actions can contribute ○ Provide a short and concise version of the sustainability report and code of conduct
Lack of time and recourses	<ul style="list-style-type: none"> ○ Appoint accessible and dedicated local HR teams and/or sustainability ambassadors

	<ul style="list-style-type: none"> ○ Proactively and continually allocate time and resources for sustainability projects
Measuring tools	<ul style="list-style-type: none"> ○ Form individual sustainability goals which managers evaluate and follow up ○ Give employees access to weekly data on their own and the company's contributions to sustainability ○ Invest in KPIs on social sustainability ○ Combine surveys with interviews and/or oral surveys to assess the state of the desired culture ○ Utilize new technology, e.g., AI ○ Do not measure for sake of it, optimize the collected data for value creation
Not business-relatable	<ul style="list-style-type: none"> ○ Customize education to individuals and groups ○ Communicate the sustainability initiatives' financial benefits, increased brand reputation, and improved stakeholder satisfaction
Cultural change	<ul style="list-style-type: none"> ○ To meet resistance, create an understanding of employees' personal values and beliefs ○ Incentivize employees who take initiatives and are interested ○ Provide training on sustainability concepts ○ Work with active leadership and engage managers ○ Remember that change takes time and is an ongoing process
Lack of knowledge	<ul style="list-style-type: none"> ○ Provide different forms of education ○ Partner with external experts to access the latest research and best practices ○ Shadow someone working in the sustainability field

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Appendix 1: Interview Guide HR

Introduction

1. Offer anonymization and confidentiality and ask permission to record the sound of the interview.
2. Introduce ourselves and the aim of the study.
3. Explain our definition of sustainability and organizational culture.
4. The interviewee presents himself/herself.

Organizational Culture

1. How would you describe the organizational culture and the values of the bank? How does the culture impact the business?
2. How do you evaluate/measure a good/strong corporate culture?

Sustainability

1. How do you define sustainability within the bank?
2. What are the most important sustainability challenges for you?
3. What initiatives have you taken to address the social sustainability challenges within the company?
4. What sustainability challenges do you see in the future for the banking sector? How do you plan to address them?

Sustainability, Change Management & Organizational Culture

1. How does your collaboration with the sustainability manager look like?
2. How have you worked to integrate sustainability as part of the bank's culture?
3. What initiatives have you taken to promote a culture of sustainability within the bank?
4. What strategies do you use to increase awareness and motivation regarding sustainability among employees? How have these strategies worked?
5. What challenges have you encountered in involving employees in sustainability work?
6. How do you measure the success of your efforts? What methods do you use to follow up and evaluate?
7. Have you encountered obstacles in integrating sustainability into the corporate culture? How have you handled them?

Appendix 2: Interview Guide Sustainability

Introduction

1. Offer anonymization and confidentiality and ask permission to record the sound of the interview.
2. Introduce ourselves and the aim of the study.
3. Explain our definition of sustainability and organizational culture.
4. The interviewee presents himself/herself.

Sustainability

1. How do you define sustainability within the bank?
2. What are the most important sustainability challenges for you?
3. What initiatives have you taken to address the environmental and social challenges within the banking sector?
4. How do you evaluate/measure sustainability within your organization?
5. What sustainability challenges do you see in the future for the banking sector? How do you plan to address them?

Organizational Culture

1. How would you describe the bank's organizational culture and values? How does culture affect the business?

Sustainability, Change Management & Organizational Culture

1. How does your collaboration with the HR manager look like?
2. How have you worked to integrate sustainability as part of the bank's culture?
3. What initiatives have you taken to promote a culture of sustainability within the bank?
4. What strategies do you use to increase awareness and motivation regarding sustainability among employees? How have these strategies worked?
5. What challenges have you encountered in involving employees in sustainability work?
6. How do you measure the success of your efforts? What methods do you use to follow up and evaluate?
7. Have you encountered any obstacles in integrating sustainability into corporate culture? How have you handled them?

Appendix 3: Interview Guide Employees

Introduction

1. Offer anonymization and confidentiality and ask permission to record the sound of the interview.
2. Introduce ourselves and the aim of the study.

3. Explain our definition of sustainability and organizational culture.
4. The interviewee presents himself/herself.

Organizational Culture

1. How would you describe the bank's organizational culture and values?

Sustainability

1. How familiar are you with the bank's sustainability goals and initiatives?
2. How do you perceive the bank's commitment to sustainability? In what ways have you noticed that the bank values and prioritizes sustainability?
3. What do you think the bank could do more to promote sustainability?
4. Which sustainability challenges do you think are the most important for the bank to address? Why?
5. How does the bank involve its employees in sustainability initiatives?
6. What are the challenges of involving employees in sustainability work (who do not work in HR or sustainability)?
7. Do you have any suggestions for how the bank can make it easier for employees to act more sustainably in their work?
8. What sustainability challenges do you see in the future for the banking sector?

Sustainability, Change Management & Organizational Culture

1. How do you see the correlation between organizational culture and sustainability?
2. Do you think there is an interest among employees to transition/work towards a more sustainable culture?
3. What can the bank do to make sustainability a more integrated part of its corporate culture?