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The Relationship between Leadership and Organizational Culture Handelsbanken in Sweden.

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Abstract

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Aim: The aim of the study is to explore the relationship between leadership and organizational culture in a financial organization. The study has been conducted in Handelsbanken, Sweden.

Method: The study is based on ten qualitative interviews with managers and employees in Handelsbanken, Mid-Sweden offices. We used inductive approach by comparing findings with existing theory.

Result & Conclusions: Leadership depends mostly on corporate values and individuals’ personalities within SHB. We noticed predominantly notion of transformational leadership, consisting of democratic, empowering and participative leadership. SHB’s corporate culture is strong and cohesive, resembling mostly guided missile type of culture. We argue that leadership and corporate culture affect each other, in case of Swedish Handelsbanken through employee motivation and empowerment and internal recruitment and development of future managers.

Suggestions for future research: We suggest a study where the possible existence of transactional and laissez faire leadership could be proven within a financial organization as well as studies on other types of corporate culture and conducting similar studies within financial organizations to make comparisons between the organizations.

Contribution of the thesis: This study contributes to theoretical knowledge development about leadership and corporate culture and the interconnection between them within a financial organization, as presented in case of Handelsbanken, Mid-Sweden offices.

Key words: Leadership, corporate culture, transformational leadership; democratic, empowering, participative leadership; guided missile corporate culture, financial organization
# Table of contents

<table>
<thead>
<tr>
<th>Contents</th>
<th>Page number</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Introduction:</strong></td>
<td></td>
</tr>
<tr>
<td>1.1 Background</td>
<td>1</td>
</tr>
<tr>
<td>1.2 Problematization</td>
<td>4</td>
</tr>
<tr>
<td>1.3. The aim, Research questions</td>
<td>5</td>
</tr>
<tr>
<td>1.4 Delimitations</td>
<td>5</td>
</tr>
<tr>
<td>1.5 Disposition</td>
<td>6</td>
</tr>
<tr>
<td><strong>2. Literature review:</strong></td>
<td></td>
</tr>
<tr>
<td>2.1 Leadership</td>
<td>7</td>
</tr>
<tr>
<td>2.1.1 Transformational leadership</td>
<td>9</td>
</tr>
<tr>
<td>2.1.2 Transactional leadership</td>
<td>12</td>
</tr>
<tr>
<td>2.1.3 Laissez faire leadership</td>
<td>13</td>
</tr>
<tr>
<td>2.2 Corporate culture</td>
<td>13</td>
</tr>
<tr>
<td>2.2.1 Family culture</td>
<td>15</td>
</tr>
<tr>
<td>2.2.2 Eiffel Tower Culture</td>
<td>16</td>
</tr>
<tr>
<td>2.2.3 Guided Missile Culture</td>
<td>16</td>
</tr>
<tr>
<td>2.2.4 The Incubator Culture</td>
<td>16</td>
</tr>
<tr>
<td>2.3 Leadership and corporate culture</td>
<td>16</td>
</tr>
<tr>
<td>2.4 Theoretical Framework</td>
<td>19</td>
</tr>
<tr>
<td><strong>3. Methodology:</strong></td>
<td></td>
</tr>
<tr>
<td>3.1 Scientific approach</td>
<td>20</td>
</tr>
<tr>
<td>3.2 Qualitative research</td>
<td>20</td>
</tr>
<tr>
<td>3.2.1 Interpretativism</td>
<td>22</td>
</tr>
<tr>
<td>3.3 Data collection</td>
<td>23</td>
</tr>
<tr>
<td>3.3.1 Open ended interviews</td>
<td>23</td>
</tr>
<tr>
<td>3.3.2 Direct observation</td>
<td>27</td>
</tr>
<tr>
<td>3.4 Data Analysis</td>
<td>28</td>
</tr>
<tr>
<td>3.4.1 Triangulation</td>
<td>29</td>
</tr>
<tr>
<td>3.5 Ethical concerns</td>
<td>29</td>
</tr>
<tr>
<td>3.6 Reliability and validity</td>
<td>31</td>
</tr>
<tr>
<td>3.7 Limitation of methodology</td>
<td>32</td>
</tr>
<tr>
<td><strong>4. Findings:</strong></td>
<td></td>
</tr>
<tr>
<td>4.1 Background about the organization- Our case - Handelsbanken</td>
<td>34</td>
</tr>
<tr>
<td>4.2 Handelsbanken and Leadership</td>
<td>35</td>
</tr>
<tr>
<td>4.3 Handelsbanken and Corporate culture</td>
<td>39</td>
</tr>
<tr>
<td>Section</td>
<td>Page</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>4.4 The relationship between leadership and corporate culture in SHB</td>
<td>41</td>
</tr>
<tr>
<td>4.5 Summary of findings</td>
<td>43</td>
</tr>
<tr>
<td>5. Analysis and discussion:</td>
<td>44</td>
</tr>
<tr>
<td>5.1 Handelsbanken and Leadership</td>
<td>44</td>
</tr>
<tr>
<td>5.2 Handelsbanken and Corporate culture</td>
<td>49</td>
</tr>
<tr>
<td>5.3 Relationship between leadership and corporate culture</td>
<td>51</td>
</tr>
<tr>
<td>5.4 The relationship between leadership and corporate culture in Handelsbanken</td>
<td>55</td>
</tr>
<tr>
<td>6. Conclusion:</td>
<td>58</td>
</tr>
<tr>
<td>6.1 Answer to research questions</td>
<td>58</td>
</tr>
<tr>
<td>6.1.1 Research question 1</td>
<td>58</td>
</tr>
<tr>
<td>6.1.2 Research question 2</td>
<td>58</td>
</tr>
<tr>
<td>6.1.3 Research question 3</td>
<td>60</td>
</tr>
<tr>
<td>6.2 Implications of our study</td>
<td>60</td>
</tr>
<tr>
<td>6.3 Critical reflection</td>
<td>61</td>
</tr>
<tr>
<td>References</td>
<td>63</td>
</tr>
<tr>
<td>Appendices:</td>
<td>67</td>
</tr>
<tr>
<td>Appendix 1. Background about Handelsbanken</td>
<td>67</td>
</tr>
<tr>
<td>Appendix 2. Interview questions</td>
<td>69</td>
</tr>
<tr>
<td>Appendix 3. Interview questions in Swedish</td>
<td>70</td>
</tr>
<tr>
<td>Appendix 4. Interviews</td>
<td>72</td>
</tr>
<tr>
<td>Appendix 5. Interviews in Swedish X3-X4</td>
<td>88</td>
</tr>
</tbody>
</table>
List of Tables
Table (1): Disposition......................................................................................................................... 6
Table (2): Theoretical links............................................................................................................. 18
Table (3): Participants and Operationalization of interview questions................................. 25
Table (4): Operationalization of the interview questions, to Manager................................. 26
Table (5): Operationalization of the interview questions, to Employees.............................. 27
Table (6): Questions to managers.................................................................................................. 30
Table (7): Questions to employees................................................................................................. 31
Table (8) Summary on leadership in SHB.................................................................................... 38
Table (9) Summary on corporate culture in SHB.......................................................................... 41
Table (10): Summary of findings .................................................................................................. 43
Table (11): Relationship between theory, findings and analysis.............................................. 56

List of Figures
Figure (1) Corporate image................................................................................................................. 15
Figure (2) Theoretical framework.................................................................................................. 19
Figure (3) The Relationship between Leadership and Corporate culture in Handelsbanken................................................................................................................. 43
1. Introduction

In this chapter, we discuss the background to the research. It also encompasses the study's research questions, aim, and overview of the topic.

1.1 Background

The topics of leadership and corporate culture has been a subject for academic research for a long time. (Ogbonna & Harris (2000), Bass & Avolio (1993), Puni & Bosco (2016)).

Smircich & Morgan (1982), argue that leadership is often seen as prerequisite of organized action and lack of it can mean absence of having any organization at all. In some cases leadership is required to give direction to collective efforts where people want to be led while in some situations all want to be leaders, aspiring to lead and not to follow. Successful organizations often strive after harmony between the initiation of action and appeal for direction, meaning that some people are going to lead and some have to follow them. It means that as it is important to lead, there has to be also adherence among people that are being led, otherwise there is not much to be achieved.

Smirchic & Morgan (1982, p. 258), claim that leadership is defined as “a process where one or more individuals succeed in attempting to frame and define reality of others”. In groups that are unstructured and lack leadership, after periods of interaction, the groups begin to share common interpretations and understanding of experience that leads them to become a social organization. In such organizations leaders are born among members that structure experiences in meaningful ways. It is the situation that makes weather by personal inclination to become a leader or group’s requirements or expectations, leaders to emerge. In that way leadership is socially constructed emerging through interaction and evolving through actions of both leaders and followers.

On the other hand, Vroom & Jago (2007), argue that the situation is important for leadership and define leadership as an intended influence from leaders to influence followers. In that sense there is an intention among leaders to influence subordinates and leading is a process while leadership is a potential and capacity to influence others. It means that the process is based upon the traits of leaders, the cognitive processes among leaders, the nature of interaction that makes the influence viable and the situational aspects.
According to House, Javidan, Hanges & Dorfman (2002, p. 5), organizational leadership is defined as “the ability of an individual to influence, motivate and enable others to contribute toward the effectiveness and success of organization of which they are members”.

The main objective of leadership behavior in organizations should be to impact and make individual and collective efforts easier to achieve shared objectives. (Yukl, 2012)

Barney (1986), defines corporate culture as complex set of values, beliefs, assumptions and symbols that stipulate the way a firm does its business. A corporate culture is one of the characteristics that differentiate one firm from another. It also shows in what way the firm will deal with its employees, customers, suppliers and competitors.

Barney (1986), continues, in order for a firm to provide a sustainable competitive advantage through its culture, three conditions have to be fulfilled:

- the culture must be valuable
- the culture must be rare
- the culture must be imperfectly imitable

It must enable a firm to do things in a certain way that leads to higher margins, low cost or add financial value to the firm. That means that the culture must have positive economic consequences and it should have traits that most of the other firms in the business do not have, like being unique and difficult to imitate. It would mean costs for a competing firm in form of reputation and experience to try to imitate such firms.

Ogbonna & Harris (2000), point out that there has been little empirical research on subjects of leadership and organizational culture. They (2000, p. 769), argue that much of the interest for organizational culture is derived from assumption that organizational culture can lead to superior organizational performance and for generating competitive advantage, and that competitive advantage can rest on “creation of organizational competencies that are both superior and imperfectly imitable by competitors”. That means by having certain aspects that a company excels at and that are difficult to copy a firm can gain a competitive advantage.

According to O’Reilly, Chatman & Caldwell (1991), culture could be defined as set of cognitions that members of a social unit share. It includes fundamental views, values, norms for behavior and expectations and larger patterns for behavior.
The authors (1991), argue that the studies on culture usually begin with values and assumptions and values weather conscious or unconscious act as defining elements of norms, symbols and rituals and other cultural activities. The culture revolves around values that show how to select alternatives of orientation in certain situations. Values could also be a specific mode of conduct that is personally or socially preferable. In that way they are normative beliefs that are internalized that can guide one or group’s behavior.

According to Lok & Crawford (1999), organizational culture could have an impact on organization primarily in field of commitment and performance. They point out that organizational subcultures could exist independently from corporate culture, and that even small groups could have their distinctive values and beliefs.

Ogbonna & Harris (2000), suggest that corporate culture’s strong and shared values can impact the prediction of employee reactions on strategic moves by management removing unfavorable consequences of those moves and that corporate culture enhances competitive advantage in a way that it facilitates individual interaction and information processing to levels it adheres to. They (2000), argue that organizational success could depend on alignment of employee values with companies’ values influencing corporate strategy.

Schein (1984), argues that to understand the values and why people behave the way they do it is often necessary to infer with people that form a part of the organization and to analyze documents and charters about the organization.

According to Hofstede, Hofstede & Minkov (2010), culture is generally defined as collective thinking that distinguishes members of one group or group of people from other groups. An organization's culture, however, is maintained not only in the thinking of its members but also in the thinking of others, everybody who interacts with the organization such as customers, suppliers, labor organizations, neighbors, authorities, and the press.

Hofstede et al. (2010), argue that planning and control processes in organizations are strongly influenced by culture. Planning and control go together: planning tries to reduce uncertainty, and control is a form of power, so, planning and control processes in a country are likely to vary according the prevailing uncertainty-avoidance and power-distance norms. Planning and control systems are often considered rational tools, but in fact they are partly ritual. It is difficult to know how effective planning and control are.
Trompenaars & Hampden-Turner (2011), argue that leaders and staff have their own cultural preferences that give form to organizational culture beside technologies and markets. Three aspects of corporate structure can be used to assess the organizational culture:

- The relationship between employees and organization in general
- Superiors and subordinates are chosen by the authority system of hierarchy
- General views of staff about the fate of the organization, purpose, objectives and their location in this regard.

As Bass & Avolio (1993, p. 112), point out” as organization’s culture develops in large part from its leadership while the culture of an organization can also affect the development of its leadership”, we assume an interconnection between leadership styles and corporate culture. Barney (1986), argues that the firms having valuable cultures, that are rare and imperfectly imitable should try to understand what it is about their culture that gives them a competitive advantage and try to develop and nurture those traits. In that way the culture is going to be withheld and possibility of mismanagement would vanish.

1.2 Problematization

Two empirical studies (Ogbonna & Harris (2000) and Puni & Bosco (2016)), address the direct connection between leadership styles and corporate culture, and the absence of academic research in that field for a long time.

There have also been studies connecting leadership and organization applying a national values perspective and not the corporate one, like Hofstede’s (1980) and Ardichvili & Kuchinke (2002). Hofstede (1980), argues that management in organizations can be a subject of different interpretations according to different national cultural values, and that one and same management approach can have different applications, translations and interpretations according to national culture in countries such as U.S.A, Germany, France and Great Britain. Ardichvili & Kuchinke (2002), compare leadership styles and cultural values of countries like Russia and some of its former republics; Germany and U.S. Also to mention is a study where national cultures impact on leadership has been examined in Turkey by Pellegrini & Scandura (2006), finding evidence of paternalism, delegation and leader-member exchange.

According to Kuchinke (1999), few studies have examined the relationship between culture and leadership in an article where the author, examines work-related values and leadership styles and national cultures.
In recent studies, Bhargavi & Yaseen (2016), in government study in Abu Dhabi, United Arabic Emirates, found evidence that leaders adopt different leadership styles and do not prefer only one leadership style and that adoption of different leadership styles can often be ascribed to the situation and that leadership styles affect organizational performance.

Puni & Bosco (2016), argue that leadership style is largely responsible for the creation of corporate culture and resultant corporate culture is responsible for organizational performance.

We could not find scientific publications that examine the relationship between leadership and corporate culture in a financial organization in Sweden, giving us a gap to conduct a study on and to fulfill the research gap.

1.3 Aim and research questions:

The aim of the study is to explore the relationship between leadership and organizational culture in a financial organization. The study will be conducted in Handelsbanken, Sweden.

Research questions:

1. What leadership does SHB apply?

2. What is the corporate culture in SHB?

3. Is there a relationship between leadership and corporate culture in SHB?

1.4 Delimitations:

We conduct a qualitative research on a big bank in Sweden that did not lend money from owners during the financial crisis (Newspaper Fokus, 13-02-2009). Being one of Swedish largest banks lead us to think that there is a certain way they do things that make their core idea, valuable and difficult to imitate, leading to success. Even though we present different leadership styles, we generalize on the main discussed, that stand out, while we concentrate also on main corporate culture type. Our perspective is that Handelsbanken is one of the main banks in Sweden and leadership and corporate culture are interesting topics to examine and explore. Besides that, we took courses in leadership and studied corporate culture in courses within MBA-programme at University of Gävle, something that evoked our interest in leadership and corporate cultures even further. We did ten qualitative interviews where we interviewed both managers and employees in SHB in order to get different perspectives.
1.5 Disposition:

Table (1) Thesis disposition

<table>
<thead>
<tr>
<th>Chapter 1: Introduction</th>
<th>In this chapter, we discuss the background to the research. It also encompasses the study’s research questions, aim, and overview of the topic.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 2: Literature review</td>
<td>In this chapter, we present and discuss the background to the research and also present overview and explanations of the concepts that will be used during and to facilitate the study.</td>
</tr>
<tr>
<td>Chapter 3: Methodology</td>
<td>In this chapter, we describe how we conducted our study, the methods and approaches we used to select the case, gather information and can answer the study’s aim and research questions. We also address how we approached and choose our theoretical framework and how and with whom we conducted our interviews and the interrelated processes of choosing, collecting, relating and analyzing information to reach to conclusions.</td>
</tr>
<tr>
<td>Chapter 4: Findings</td>
<td>In this chapter, we will present the findings of the research which are built upon the interviews in Handelsbanken.</td>
</tr>
<tr>
<td>Chapter 5: Analysis and discussion</td>
<td>In this chapter, we will analyze and discuss the findings by comparing what we found out through findings with theoretical stance.</td>
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<tr>
<td>Chapter 6: Conclusion</td>
<td>The following chapter consists of answering the research questions posed and the general conclusions that can be drawn from this study.</td>
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</tbody>
</table>

Source: Own construction

The disposition of the study presents the structure we use and can make it easier to the reader to go through the study and provide the reader the parts and the chapters.
2. Literature review

In this chapter, we present and discuss the background to the research and also present overview and explanations of the concepts that will be used during and to facilitate the study.

2.1 Leadership

Yukl et al. (2009), argue that relationships with subordinates can be developed that are characterized by high level of trust, liking and respect which translates into LMX-theory of leader-member exchange. Usually those relationships are mutual according to Yukl et al. (2009), where subordinates are expected to be loyal to leader and committed to work, and leaders should provide interesting tasks, more responsibilities and awards to their subordinates. Yukl et al. (2009), suggest that leaders should try to develop high-exchange relationships with as many subordinates as possible. They point out that most of the research on LMX (leader-member exchange) has included transformational leadership, where leaders try to act for change within organization. According to Yukl et al. (2009), transformational behaviors include individualized consideration, idealized influence, inspirational motivation and intellectual stimulation.

Bateman, O'neill & Kenworthy-U'Ren (2002), suggest that leadership consists on influencing subordinates’ motivation by setting goals and making an impact on others’ goals. According to them goals can be influenced on three levels: top goals by using charismatic and transformational leadership, mid-level goals by using path-goal theory and lower level goals by using operant theories.

Hamlin & Hatton (2013), claim that there are similarities between managerial behaviors across organizational sectors and do not support assertion that managerial effectiveness is dependent on situation and varies between organizations.

Huang et al. (2005), point out that transactional leadership is more traditional where leaders stress out the urge for subordinates to achieve certain goals by providing them support.

According to Eagly & Johannesen-Schmidt (2001), earliest considerations about leadership styles involved a notion about task-oriented leadership styles versus interpersonally oriented leadership styles. The prior is concerned about organizing activities in order to accomplish tasks while the second deals with interpersonal exchanges in form of relationships to secure subordinates welfare and well-being. One form of task-oriented leadership styles is initiation
of structure, where leaders motivate subordinates to follow rules and procedures, ensure high levels of performance and having a distinction between who is a leader and who is a subordinate. On the other hand, consideration as a part of interpersonally oriented leadership style, often involves helping the employees by doing favors, assisting them, explaining processes and being available, being concerned with subordinates welfare.

The authors (2001), argue that another part of leadership studies involved the extent to which leaders behave democratically and allow subordinates to be a part of decision-making or behave autocratically, not allowing the subordinates to be a part of decision-making. Similar distinction is made and labeled if the leaders are participative or directive. Those aspects of democratic and autocratic leadership is an attempt to narrow down task-oriented and interpersonal leadership styles, in a sense that certain features are more ascribed to men, often being more autocratic; than women, often being more democratic.

They (2001), claim, that there were other dimensions that were to be discovered, like, distinguishing between leaders who are transformational or transactional. Transformational leaders set high standards to their subordinates for their behavior and establish themselves as role models where they try to gain the trust and liking of their followers. Such leaders set the goals and encourage the subordinates to achieve them by developing plans. Transformational leaders innovate, not relying on the status quo even when the organization is generally successful. They monitor and empower the subordinates, making them to develop their full potential and by doing that contribute more effectively toward organization, and by encourage them achieve the set goals.

Schneider & Schröder (2012), Chaudhry & Javed (2012), and Sims et al. (2009), argue that transactional leaders on the other hand, try to establish exchange relationships with their followers. Transactional leaders set out clear responsibilities to their followers, monitor their work and give them awards if they meet objectives and correct them if they fail to meet the goals but according to Avolio & Bass (1995), who also discuss two types of leadership (transactional and transformational leadership) and explain it in means of a construct called individualized consideration that determines if leaders and followers act in self-interest or act on behalf of the common good and group´s shared achievements.

They (1995), argue that transactional leaders through contingent reinforcement (reward or punishment) try to influence their followers while transformational leaders also by contingent reinforcement, in this case called individualized consideration also try to make an impact on
their subordinates. The difference between contingent reinforcement and individualized consideration lies in followers’ motives where contingent reward and punishment are given while in case of individualized consideration the transformational leader tries to change and alter followers’ motives not only to include self-interest but rather moral and ethical implications of their actions and goals.

They continue that it is through this individualized consideration that this transformation of followers occurs. It also involves leaders’ behaviors that change according to perspective where the focus is not merely on satisfying the needs and achieving the goals but rather acknowledging and recognizing the subordinates’ need and developing their potential to achieve higher performance levels. They (1995), suggest that it is through recognizing followers’ needs for growth and by developing, coaching and mentoring to be able to reach their higher potential. It is the leader that transforms both their own behavior as well as their followers’ states to be able to go beyond merely short-termed self-interest in rewards for performance to larger perspective of serving for and bringing forth contributions to group’s, organization’s or society’s well-being and good. That can also be achieved by employee empowerment.

Jones & Rudd (2008) argue that laissez faire means that leaders are not ascribing themselves any responsibility.

Next we are going to discuss transformational, transactional and laissez faire leadership in depth.

2.1.1 Transformational leadership

De Poel et al. (2014), Sims et al. (2009), Yukl et al. (2009), Huang et al. (2005), Bateman et al. (2002), Pearce et al. (2003), Eagly & Johannesen-Schmidt (2001), all mention transformational leadership as one form of leadership styles. Leadership consists on influencing subordinates’ motivation by setting goals and making an impact on others’ goals. Leaders should try to develop high-exchange relationships with as many subordinates as possible.

According to de Poel et al. (2014), transformational leadership has an aim to transform the beliefs and behaviors of individual employees to be able to maximize the result of the performance. The transformational leader is also considered as a visionary that has the ability to easily explain and make the employees understand the goals to achieve, what appears to
affect the employees’ motivation level positively and in that way, create a commitment to the organization and empowering the relationship between the organization and employees. Transformational leadership includes inspiration and changing of a follower’s motivational state by providing a vision of future. It represents according to Sims et al (2008, pp. 151), “the most popular current view of leadership”.

Now we are going to go more in depth with some of the types of transformational leadership, like participative, democratic and empowering leadership that are of value for our study. Huang, Iun, Liu & Gong (2010), Rok (2006), Somech (2005), argue that participative leadership enhances work performance through inducing empowerment for managers and by inducing trust for employees. Empowerment is seen as a source of motivation and trust is seen as an exchange based motivator. That means that by motivating and empowering their subordinates work performance can be enhanced as well as by having trust in their supervisor can improve the exchange between subordinates and superiors leading to better work performance. The motivational model implies that subordinates that can participate in decision making get more intrinsic rewards from work and better empowerment that may result in improved work performance. And to develop high trust in their superiors among subordinates, superiors should try to send a message that they have respect, concern and confidence in their employees. By such exchange-based model, subordinates will try to reciprocate by doing more for their bosses and organization.

Participative leadership is defined as shared or joint decision making by superior and his subordinates and there are certain benefits in applying it; such as; it probably will increase the quality of made decisions and to contribute positively toward better motivation and satisfaction at work. Participative leaders try to encourage their subordinates to discover new opportunities and challenges and to learn and share experiences and knowledge. With open communications that is common in this leadership style it can lower the barriers between individuals and in that way contribute to development of new ideas; being approved, critiqued or refined with minimum social risk. Subordinates are expected to contribute to the task, both by their superiors and team members, and meeting the expectations is valuable. Participative leadership leads to improved innovation and team attitudes, by increasing motivation through empowerment, according to Somech (2005), in her study of teachers in elementary schools.

Participative leadership is involving employees in decision making across levels of hierarchy. It affects the social performance of the organization, being involved in internal and external dialogue. The leaders should be responsive to feedback of others, like employees, involving
employees in making and implementing decisions. When the employees take part in decision they see the whole system as more fair and as a result of this empowerment they participate in a more open way with their peers and others. Rok (2006), argues that the more participative different aspects of an organization are, the more visible are the chances for its effectiveness. Employee empowerment is a big success factor and should be based on values of all members of the organization. Participative leadership is at the centre of a shift in a corporate world, where decisions are more and more made in a decentralized way rather than top-down manner and where shared values among employees are of utter importance.

According to Gastil (1994), Barker (2001), democratic leadership is distinct from positions of authority in three ways: distributing responsibility among members of the group; empowering group members and helping the group’s decision making process. Most of the researchers have advocated but not defined democratic leadership. Instead, they have described undemocratic practices that result in apathetic and dependent followers, inefficient implementation and mystification of decision making and that undermines self-determination and personal development. The distinction between democratic, authoritarian and laissez faire leadership lies in that the democratic leaders rely on group decision making, active member involvement, sincere praise and criticism and a degree of fellowship between managers and subordinates. Otherwise, the leaders either dominate (authoritarian) or are uninvolved (laissez faire).

Gastil (1994,p. 957), argues that another definition is that: “democratic leadership is a behavior that influences people in a manner consistent with and/or conductive to basic democratic principles and processes, such as self-determination, inclusiveness, equal participation and deliberation”. Democratic leadership is a result of the influence of leader’s behavior that is consistent with democratic principles. Democratic leaders must try to prevent the establishment of hierarchies where status and privileges dominate and should develop environment where behaviors that sustain that democratic process prevail. Gastil (1994, p. 971), claims that “democratic leadership may flourish where there exists free press, a relatively egalitarian family structure, a relatively prosperous economy and a wealth of personal freedoms”.

But according to Foels, Driskell, Mullen & Salas (2000), there is a paradox if the group members are more satisfied with democratic or autocratic leadership. It probably depends on group characteristics and leadership styles. Group’s satisfaction levels increase if the leaders
are democratic in some groups and situations and if they are autocratic also in some groups and situations. It depends on following aspects: reality of the group (real groups in natural situations vs. artificial groups in laboratories) group size(as the group size increases groups become less cohesive and members less satisfied), gender composition of the group(women are less satisfied with autocratic leaders than men are, stemming from that women are raised to be more relationship oriented while men are more competitively oriented) and potency of the leadership style (moderate or extreme application of leadership style).

Sims et al. (2009, pp. 150), argue that empowering consists of “influencing others by developing and empowering follower self-leading capabilities” Leader provides skills to follower to contribute to the organization.

Zhang & Bartol (2010), Lorinkova, Pearsall & Sims (2013), suggest that empowering leadership has the potential to positively influence employee psychosocial empowerment, and is an important element in influencing creative results.

Leadership styles tend to enhance followers' performance because both mentoring and empowerment leaders are actively trying to improve team effectiveness through well thought out and planned behaviors. Empowering leadership tend to benefit from interlinked groups through the development of participatory and collaborative standers among members, encouraging them to contribute ideas, deciding on optimal courses of action and assuming responsibility for team performance.

2.1.2 Transactional leadership

Schneider & Schröder (2012), Chaudhry & Javed (2012)and Sims et al. (2009), point out those transactional leaders on the other hand, try to establish exchange relationships with their followers. Transactional leaders set out clear responsibilities to their followers, monitor their work and give them awards if their meet objectives and correct them if they fail to meet the goals.

This leadership is viewed as bureaucratic, because in this modern society with diversity of employees, changes in social behavior and motivational tools, the leaders still use the “old” hierarchical model and power, that allocates manpower at the bottom of the hierarchy and therefore influences the reward system for employees’ achievements as contemporary and less effective.
Sims et al. (2009), point out that transactional leadership consists of awards given by leader to influence a follower. The follower is supposed to make an effort and comply with performance and loyalty toward leader, but Chaudhry & Javed (2012), argue that the transactional leadership means leaders who lead primarily by using social behavioral exchanges for maximum benefit at low cost. Leaders motivate their employees to perform their duties and to show their responsibilities, to know their goals, to know their needs so that their reward can be achieved. In the method of driving transactions if you work very well then you will be rewarded because of good work and if you do not show your commitment to your organization you will be punished. Leaders also help subordinates on how to do business for the organization and how to achieve organizational goals.

2.1.3 Laissez faire leadership

Laissez-faire means that leaders are not ascribing themselves any responsibility. According to Chaudhry & Javed (2012) and Jones & Rudd (2008), laissez faire leaders are uninvolved in employees work and avoid taking decisions, making employees to take all the decisions. Usually, this type of leadership style is difficult to defend unless their subordinates are specialist or very educated to make decisions on their own. In this way the leaders abdicate responsibility. Such leaders do not interfere in decision making process. The subordinates are free to work in their own way and have power but also have to take responsibility for their actions. Leaders avoid giving feedback but could provide material and answer to some questions. Laissez faire is an inactive form of leadership that is connected to leader’s reluctance to involve them actively and try to dissociate from action. By passive management by exception leaders only intervene when problems become serious and when objectives are not met, while laissez faire leaders delay the action and disassociate themselves with responsibility. It relies on the assumption that subordinates are intrinsically motivated and should do things in their own way and accomplish goals and objectives by self-reliance. Leaders in that way do not need to give support and guidance.

2.2 Corporate culture

Ke & Wei (2008), argue that organizational culture is defined as a set of values, beliefs and common assumptions within the organization. This set of basic beliefs influences employees' perceptions and behavior. Organizational culture is usually defined in terms of the way people think and have a direct impact on the ways they behave. Culture is often manifested in terms of behavior and values adopted.
According to Schein (2009), leadership cannot really be understood without considering the cultural assets, evolution, and change. In the same way, organizational culture and subcultures cannot be understood without considering how leaders behave and influence how the macro system works. Organizational performance largely depends on how the existing subcultures are coordinated with each other, which means that it is important for leaders to understand and manage the dynamics of subcultures.

Delic & Nuhanovic (2010), argue that organizational culture has multiple significance in organizational life. First, culture ensures a higher level of cooperation between staff. Secondly, culture can simplify decision-making and implementation, because shared common beliefs and values provide a consistent set of basic assumptions and preferences for the memberships of Organization. Third, culture can begin effective and sound communication.

According to Grigoruta & Corodeanu (2005), organizational culture is historical and structured in a way it can remain unchanged for a long time despite the coming and going of any employee or even all employees within it. It was born out of the experience of situations in which internal and external pressures on the organization were dealt with. Culture is an integral part of process of choosing personal choices. It affects what organization feels, its concerns and its ability to deal with problems. Barney (1986), argues that a firm’s culture, to be a source of sustained competitive advantage, it must be valuable, rare, and imperfectly imitable.

According to Denison & Spreitzer (1991), the basic definition of an organization provided by most models has been the nation of a structured social grouping with a defined purpose. The competing values model follows in this tradition by taking a broad definition of an organization and concentrating on its underlying values as the base of its design and form.

According to Ogbonna & Harris (2000), one of the major reasons for the widespread popularity of an interest in organizational culture stems from the argument (or assumption) that certain organizational cultures lead to superior organizational financial performance.

According to Trompenaars & Hampden-Turner (2011), there is a good approach to analyze organizations by using a process to identify four possible types of organizational culture that is based on the evaluation of employees and the propensity and ability to change them and their thinking, provide motivation, reward and solve conflicts. The organizations are supposed to fit into these stereotypes.

Those four types are: Family, Eiffel Tower, Guided Missile and Incubator corporate culture.
This figure stands for possible orientations that corporate culture can have. It shows the four specific types of corporate culture.

The four metaphors illustrate the relationship of employees to their people in the organization. Figure (2) summarize the images of these project organizations. Each of these types of corporate culture is an “ideal type”. In practice, species are mixed or additive, with one dominating culture.

According to Trompenaars & Hampden-Turner (2011), the four types are:

2.2.1 Family culture: Family metaphor is used for cultures that are personal, including face-to-face relationships, but also hierarchical in the sense that the leader or “father of the family” has more of experience and authority than his “children” and even more when the children are novices and unexperienced. It means that the leader knows better than his/her subordinates and that he/she is like a caring parent who helps by providing guidance and knowledge. It is a example of corporate-oriented power. Usually, those kind of leaders determines pattern and tone of the organization and steers company in a certain direction, while subordinates are supposed to know what is appropriate and required and to serve a leader is a reward in itself. That kind of affection is not always visible to the outsiders and leaders themselves have
propensity to sympathize with subordinates. The important thing is the person and in that sense family culture is both person-oriented at the same time has a hierarchical mode.

2.2.2 Eiffel Tower Culture: In this kind of culture the boss is a role model for the subordinates and he/she guides you and the sole purpose of the organization is transferred through your boss. Boss presides over the authority to tell you what you should do and according to both written and unwritten rules you should and have to act in line with those instructions and orders. The system would not work otherwise if the subordinates failed to follow the directions. He/she is at the top of hierarchical ladder and even if someone else comes to his/her place and replaces the boss; no difference is made upon subordinates’ roles and duties as organization has been built in that manner. Eiffel Tower corporate culture is more role-oriented and hierarchical where it is more important to execute one’s tasks.

2.2.3 Guided Missile Culture: Guided missile culture implies that end justify the means where it is important to reach the goals and it is usually within teams and project groups that such tasks and strategic goals are undertaken and set. It differs from both Family and Eiffel Tower cultures in equality by being egalitarian but resembles Eiffel Tower culture in being impersonal and mission- and task-oriented. It is directed toward tasks and it is required from people to do everything in their power to achieve goals even though the requirements are not always clear and what is to be discovered is also sometimes concealed. The difference from culture of role is that members’ roles are not fixed in advance but can change over time.

2.2.4 The Incubator Culture: This kind of culture calls for self-expression and self-realization where the organizations are secondary to achievement of persons and individuals. If the organizations are to be withheld at all, depends on those parameters. It means that existence precedes organizations” but should not be confused with firms that are incubators that provide services and maintenance in the early stage of development of companies. Incubator culture is more of a metaphor for culture in organizations where persons and egalitarian mode of doing things are prevalent.

2.3 Leadership and corporate culture

According to Warrick (2017), organizational culture can have a significant impact on organizational performance, employee motivation and turnover. Companies that have healthy cultures excel at sales and stock increases. Healthy cultures are characterized by effective leadership while unhealthy have traits of ineffective leadership.
He (2017) argues that culture can be seen as a remedy for many organizational problems, but at the same time recognizes that organizational culture can often be seen as an outcome rather than a cause of organizational practices. That means that by exercising effective leadership it can be influenced in ways that builds, develops and sustains healthy cultures.

Furthermore, Warrick (2017), points out that leaders influence corporate culture through strategies, values and example. Often, organizational culture reflects their leaders. But, the same leaders can be a cause of unhealthy cultures through ineffectiveness, not being a good fit for existent or desired culture or even being a good leader but making bad decisions. Behaviors that are valued or devalued shape the way people behave in the organization.

He (2017) suggests that because people usually respond to behaviors whether good or bad but that are valued and rewarded and avoid the behaviors that are not esteemed and valued. The leaders that recognize that fact should apply desired behaviors and those that bring forth the motivation among the employees. To develop a strong culture, where there is a clear understanding of norms and values and that influence on the behaviors and practices of employees should be the goal to attain. The only exception here is that culture can be strong but unhealthy and then there could be a problem also.

But, according to Tsui, Zhang, Wang, Xin & Wu (2006), there are functionalist and attribution approaches to the subject of the leadership and organizational culture interplay that both support the interconnectedness between them. Functionalists on one hand, take for granted that leaders have an influence on corporate culture. It is the leaders that shape and form organizational culture. On the other hand, attribution advocates that leaders in the eyes of the members of the organization are responsible for corporate outcomes. In that way CEO’s can either take credit in if the firm does well or try to explain away the bad results. They (2006) argue that there could be more aspects that the organization has to deal with, like larger technological, social and cultural developments and concerns that can have an influence on both leadership and corporate culture. The authors (2006), suggest that according to anthropological view, leaders cannot create a culture because it emerges from the collective effort and through social interaction of groups. In that way leaders are a part of culture and culture is not like a possession that someone has but it merely is.

According to Xenikou & Simosi (2006) transformational leadership leads to achievement oriented culture. Past organizational performance, in terms of success or failure influences also the adoption of norms and leadership that are supported within the organization.
Managers by working on the culture can increase performance and leadership should be guided by what corporate culture has proven successful in order to nurture and develop those cultural traits.

Schaubroeck, Cha & Lam (2007), argue that transformational leadership influences team performances through team potency which is moderated by team power distance and team collectivism, meaning that teams with higher power distance and team collectivism show more positive effects of transformational leadership on team potency. It is through those two values (power distance and collectivism) that teams boost their self-confidence.

**Table (2) Theoretical links**

<table>
<thead>
<tr>
<th>Concepts</th>
<th>Authors</th>
</tr>
</thead>
</table>

*Source: Own construction*

This table shows what concepts we concentrated on and the authors that mention those concepts.
2.4 Theoretical Framework

Figure (2) Relationship between Leadership and corporate culture

Every organization has its leadership and corporate culture. There are different types of leadership but the most acknowledged ones are transformational, transactional and laissez faire leadership types. Jones & Rudd (2008), Chaudhry & Javed (2012) and Judge & Piccolo (2004) all mention one or all of those types of leadership. Trompenaars & Hampden-Turner (2011), argue for different types of corporate culture and that it can take the following forms: Eiffel Tower, Family, and Guided Missile and Incubator type of corporate culture. In our theoretical part we describe those three main types of leadership and four main types of corporate culture. It serves as our theoretical framework. We try to find an application of those theories by later comparing them to our empirical findings and discussing them in the analysis part.
3. Methodology

In this chapter, we describe how we conducted our study, the methods and approaches we used to select the case, gather information and can answer the study’s aim and research questions. We also address how we approached and choose our theoretical framework and how and with whom we conducted our interviews and the interrelated processes of choosing, collecting, relating and analyzing information to reach to conclusions.

3.1 Scientific approach

Bryman & Bell (2015), suggest that it is useful to consider the relationship between theory and research as deductive and inductive strategies. The inductive approach implies that the theory is an outcome of research while deductive stance entails a process where theory leads to observation/findings. Bryman & Bell (2015), argue that the deductive strategy is mostly linked to quantitative studies; an inductive approach is generally associated with qualitative approach.

Deductive reasoning involves a difficulty of relying on strict logic of theory-testing and falsifying hypotheses where it can be difficult to know how to choose the theory to be tested while inductive reasoning can have a weakness in no amount of empirical information will necessarily enable building theories. According to Bryman & Bell (2015), abduction is a process that starts with a puzzle or surprise and afterwards tries to explain it. It means that researcher meets empirical phenomena that existing theory cannot explain. It involves going back and forth in reasoning where empirical social world is a source for theoretical ideas and providing the best explanation from different interpretations. It means that researchers involve in creating understanding through continuous dialogue and examination between the data and the researchers’ preunderstandings, being related to philosophical thought of the “hermeneutic circle”. It is a third way of reasoning trying to overcome the limitations of deductive and inductive reasoning.

For this study we used inductive approach by comparing findings with existing theory.

3.2 Qualitative research

According to Doz (2011), qualitative research makes a pivotal contribution to theory building in management. The author argues that qualitative research is suited for revealing the facts of
organizational processes where individual and collective actions unfold over time and context. By contrasting different existent theories, it leads to new conceptualizations and takes a step from multidisciplinary approach to interdisciplinary, where only rich and thick descriptions can contribute for integrating, synthesizing and melding multiple theories into new concepts. Doz (2011), points out that total reliance on ground theorizing cannot be carried out due to cognitive knowledge that researcher already has, but the richness of qualitative research implies the freedom from being stuck to preexistent theories, increasing the odds of new theory building. Researchers should try to create new theoretical insights through iteration and constant comparison between rich data and existent theories and the conceptual insights that emerge.

Qualitative theories also allow theory testing according to Doz (2011), in such research, theories are tested by comparison with observed instance, theories’ validity and applicability as well, by illustrating and emphasizing the key concepts and elements and their relationship to theories. The author suggests that doing research on international businesses that recognizes the role of context rather than relying on abstract general theories and doing qualitative case-based studies could only improve contextualization of the general theories. Doz (2011) calls for, that understanding of collective action in context is needed.

Eisenhardt (1989, p. 534), argues that case study approach is “a research strategy which focuses on understanding the dynamics present within single settings”. Eisenhardt (1989) points out that, case studies can involve multiple level of analysis within a single case study. In our case, interviewing both managers and employees with different occupations and departments within organization.

According to Eisenhardt (1989), case studies combine different data collection processes such as archives, interviews, questionnaires and observation. Case studies can be qualitative through words or quantitative through numbers and their aim can be accomplished through providing description, testing theory or generating theory. The study applies qualitative approach through using interviews and archives. We aim to generate new theory by relying on preexistent theory and comparing to empirical evidence and by testing the above-mentioned and in that way, make our contribution to the scientific inquiry and field.

Eisenhardt (1989), suggests that using multiple investigators and visiting case study sites in teams builds confidence in findings and the possibility of surprising findings increases. It allows the case to be seen from different perspectives. We were two students that both
conducted interviews and took notes of the interviews and being backed up with recording the interviews so no valuable information would go lost.

Eisenhardt (1989), emphasizes that within-case analysis also involves write-ups for each case, meaning that recognizing certain patterns within each single case allows organizing often big amounts of information and becoming intimately familiar with each case and the patterns emerging before pushing to generalize patterns across the cases. That is precisely what we do in our study also, by examining single stand-alone entities and the main concepts drawn from them to compare them with other entities and patterns that occur. It familiarizes the researchers with information and accelerates cross-case comparison possibilities.

Gummesson (2005), points out that case study research includes examining one or several cases that are used to reach to specific or general conclusions about phenomena where different variables, complex ambiguities and interrelations are included. It is the real-world data within a business context that serves as a basis for concepts and propositions and testing the theory. The data can be conceptualized and the theory generated using inductive approach from cases or it could be deductive using cases to test existing theory. Gummesson(2005), suggests that the sample should be theoretical and purposeful and guided by saturation, where no or little new information is added and that a general rule of how many cases are needed to be able to reach to conclusions cannot be set up. Sometimes a single case study can provide enough information so the researcher should look for cases that provide maximum amount of information. We maybe could have achieved better saturation by having more interviews but at the same time the patterns that emerged from our conducted interviews are enough representative of the whole to be able to draw logical conclusions, according to our opinion.

Poulis, Poulis & Plakoyiannaki (2013), point out that context in studies of international business is complex, dynamic and multi-dimensional and explicitly related to the methodological approaches and choices of the researcher. Poulis et al. (2013), argue that case selection can be done through pilot cases, direct observation, purposeful sampling and secondary data but also suggest that there is no generally accepted method of approach. That calls for the researchers to bend the methodology to fit the peculiarities of the setting because it is difficult and even questionable to set out rules and normative instructions for case-study research. By applying context-driven appropriateness it is possible to be both situational responsive and methodologically inventive.
3.2.1 Interpretativism

Bryman & Bell (2015), point out that qualitative research tends to be concerned with words rather than numbers and that an epistemological stance called interpretativism emphasizes the understanding of the social world through examining of the interpretations of that social world by its participants. According to Cortina & Landis (2013, table 9.1, p.291), qualitative research has some paradigms, ranging from positivism and post-positivism, interpretative research and critical theory to postmodernism.

The main areas on what those philosophies differ are nature of reality, goal, methods foci, methods orientation and assessing knowledge. We choose to use interpretative approach in our study. Applying that kind of approach means assessing socially constructed reality, to understand how members’ meanings and practices create realities in the given context, where examining can be done through language use, meaning and communication, using linguistic signs and stories to capture behaviors and meanings. That paves the way for scientific interpretation and giving capability to recover members’ reasoning and knowledge applied in a certain environment.

3.3 Data collection

We used ourselves of both primary and secondary data. Primary in form of face to face and phone call interviews and secondary by accessing different databases, such as Google Scholar, reading the annual reports from Handelsbanken and newspapers that provided additional information about our study object Handelsbanken.

We decided to contact one senior manager within Handelsbanken that we visited in connection with another assignment. That certain manager was on a paternity leave and we asked if we could get in touch with some other person that could provide us the needed help. We got a phone number and later when we called it, it showed that we have come to HQ of Handelsbanken in Stockholm. Later, we were directed toward certain office where we got the chance to conduct our interviews.

3.3.1 Open ended interviews

We made double set of questions, one set to managers and one to employees. We asked the participants identical questions but gave them the possibility to answer freely and in that way the responses are open-ended. According to Turner (2010), the notion of questions being
open-ended is to allow participants to provide as much information and the information they desire, in that way expressing interviewees’ viewpoints and experiences. Hoffmann (2007), claims that open-ended interviews rely on predetermined straight-forward structure of sets of questions. All the participants are supposed to answer to same set of questions in that way covering certain topics with each participant.

We got to interview persons at different positions, age, gender and experience within the company and different geographically located offices in Mid-Sweden region. Because it was required of us to interview at least ten persons to write a qualitative study, we decided to choose Handelsbanken as research object for our case study. At the same time, we noticed the emergence of certain concepts during the empirical study that evoked our interest to dive deeper in bringing meaning and understanding them through applying a theoretical lance.

When we formulated our questions, we had to rely on our gathered knowledge from before and what we thought would be interesting to examine further. Because we should interview persons at both managerial and employee positions we came up with two set of questions (Appendix) quite similar but still different addressing the difference of ranks of the potential candidates for interviews. In that way, we hope we gathered relevant information to be able to answer research questions and aim of the study and contribute to pre-existent knowledge within the scientific field, and at the same time to shed light upon one of the Swedish largest banks namely Handelsbanken.

For this study, we used a qualitative case study approach as our intention was understand how leadership styles and corporate culture can influence organizational performance. We conducted our case study by using interviews both by phone and in person. Our research object was Handelsbanken, a Swedish bank and we concentrated our study to Mid-Sweden region. We interviewed 10 persons, working in three Handelsbanken offices. Our interview persons were chosen after consulting one of the managers in one regional head office. We interviewed 5 persons in managerial positions and 5 employees. Four of the interviews were done by phone and six in person.

The reason of not all interviews were done in person was because of our geographical position and constraint of time, for the bank employees, because they had to give up their own working time to have interviews with us. The length of interviews ranged from 25 minutes to 40 minutes, in average about half an hour. We interviewed 3 male persons and 7 females. Two of the male participants are on executive position and three of the female.
Secondary data was gathered from databases that we had an access to through University of Gävles Library domain, by reading and examining annual reports from Handelsbanken and by reading newspapers such as Fokus on the internet. We went through many scientific articles primarily about different leadership styles and organizational performance, while in connection with corporate culture we also used ourselves of a book by Trompenaars & Hampden-Turner (2011), that we studied during another course at University in Gävle.

Table (3) participants and Operationalization of interview questions

<table>
<thead>
<tr>
<th>Intervewee position</th>
<th>Gender</th>
<th>Organization</th>
<th>Method of Interview</th>
<th>Duration of Interview</th>
<th>Date of Interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1- Manager</td>
<td>Male</td>
<td>Handelsbanken</td>
<td>In person interview</td>
<td>40 Minutes</td>
<td>30 of November, 2017</td>
</tr>
<tr>
<td>X2- Employee</td>
<td>Female</td>
<td>Handelsbanken</td>
<td>In person interview</td>
<td>45 Minutes</td>
<td>30 of November, 2017</td>
</tr>
<tr>
<td>X3- Employee</td>
<td>Female</td>
<td>Handelsbanken</td>
<td>Phone call</td>
<td>30 Minutes</td>
<td>04 of December, 2017</td>
</tr>
<tr>
<td>X4- Manager</td>
<td>Female</td>
<td>Handelsbanken</td>
<td>Phone call</td>
<td>40 Minutes</td>
<td>4 of December, 2017</td>
</tr>
<tr>
<td>X5- Manager</td>
<td>Female</td>
<td>Handelsbanken</td>
<td>In person interview</td>
<td>50 Minutes</td>
<td>4 of December, 2017</td>
</tr>
<tr>
<td>X6- Employee</td>
<td>Male</td>
<td>Handelsbanken</td>
<td>In person interview</td>
<td>45 Minutes</td>
<td>4 of December, 2017</td>
</tr>
<tr>
<td>X7- Manager</td>
<td>Female</td>
<td>Handelsbanken</td>
<td>Phone call</td>
<td>50 Minutes</td>
<td>4 of December, 2017</td>
</tr>
<tr>
<td>X8- Employee</td>
<td>Female</td>
<td>Handelsbanken</td>
<td>Phone call</td>
<td>45 Minutes</td>
<td>4 of December, 2017</td>
</tr>
<tr>
<td>X9- Manager</td>
<td>Male</td>
<td>Handelsbanken</td>
<td>In person interview</td>
<td>1 Hour</td>
<td>4 of December, 2017</td>
</tr>
<tr>
<td>X10- Employee</td>
<td>Female</td>
<td>Handelsbanken</td>
<td>In person interview</td>
<td>55 Minutes</td>
<td>4 of December, 2017</td>
</tr>
</tbody>
</table>

*Source: Own construction*
Table (4) Operationalization of the interview questions, to Managers

<table>
<thead>
<tr>
<th>Question</th>
<th>Theory</th>
<th>Purpose</th>
<th>R.Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Does your leadership correspond to that of other managers in the bank?</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>3. Is there a typical HB leadership? How would you describe it?</td>
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<tr>
<td>5. Does the leadership vary according to gender in HB? Is there a typical male or female leadership?</td>
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<tr>
<td>6. Do you think that leadership varies along functions?</td>
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<tr>
<td>7. Do you depend on “old wisdom” or think about possibilities and threats in the current environment?</td>
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<tr>
<td>8. How do you keep your employees motivated?</td>
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<td></td>
<td></td>
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<tr>
<td>10. What are the premises for socializing in the bank if there are any?</td>
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<td></td>
<td></td>
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<tr>
<td>11. Do you think that there is any inner-outer group thinking in Handelsbanken?</td>
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<td></td>
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<tr>
<td>12. How would you describe Handelsbanken?</td>
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<td></td>
<td></td>
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<tr>
<td>13. What do you think about future in bank? In what direction is the bank heading?</td>
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</tbody>
</table>

Source: Own construction
### Table (5) Operationalization of the interview questions, to Employees

<table>
<thead>
<tr>
<th>Question</th>
<th>Theory</th>
<th>Purpose</th>
<th>R.Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Does your manager’s leadership correspond to the leadership of other managers in the bank?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Does the leadership differ along functions/departments?</td>
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<tr>
<td>4. Is there a typical male or female leadership in HB?</td>
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<tr>
<td>6. Is there any difference among males and females among employees in terms of conduct and thinking?</td>
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<tr>
<td>7. Does the leadership differ along functions/departments?</td>
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<tr>
<td>8. Do the managers rely “on old wisdom” or are they implementing new thinking?</td>
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<tr>
<td>10. What kind of thoughts did you have about bank when you entered on your position?</td>
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<tr>
<td>11. What are the premises for socializing in the bank if there are any?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Do you think that there is any inner-outer group thinking in Handelsbanken?</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>13. How would you describe Handelsbanken?</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>14. What do you think about future in bank? In what direction is the bank heading?</td>
<td></td>
<td>Future and changes</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Own construction

#### 3.3.2 Direct observation

According to Labuschagne (2003), direct observations deal with an account of participants’ behaviors, staff actions and interactions. According to Taylor-Powell & Steele (1996), direct observation is underused but efficient tool for gathering evaluation information. It is about “seeing” and “listening” and it gives the possibility of recording activities, behaviors and physical aspects without relying on participants to answer to one’s questions. Direct
observation can be used when you want direct information or when you want to comprehend an on-going behavior or process. Direct observation can take two forms:

- Overt- obtrusive by notion that everybody knows that they are being observed
- Covert- unobtrusive-people do not know that they are being observed.

Direct observation can also involve looking at or looking for factor.

We used overt direct observation, where the participants knew that they were being observed. We noticed that both managers and employees are polite, devoted to their task and they gave impression of responsibility, being knowledgeable and modest.

3.4 Data Analysis

We tried to compare empirical findings to existing theory in order to reach to conclusions. It is a matter of discovering common themes and patterns within the empirical part taken from the done interviews and then compares them with what theory says. Eisenhardt (1989), points out in generating new theory it is important to compare the emergent theory and concepts with extant theory by asking what is similar and what differs and trying to find answers to the question why it differs, because as Eisenhardt (1989, p. 548), argues “the theory building process relies on past literature and empirical observation or experience as well as on the insights of the theorists to build incrementally more powerful theories”.

We used an inductive approach, where empirical findings come before theory but can lead to new theory as an outcome. The case study approach, according to Gummesson (2005), becomes interpretative by giving full and rich accounts of interactions and relationships between number of factors and events. In that way, it is systemic and holistic.

By applying interpretativistic approach we tried to analyze the data gathered from interviews, where common topics were addressed, discovering the main themes that we later compared to existing theory in the field. We found several common areas in respondents’ interview answers that served as basis for later assessment and presentation of them within the empirical part that led to certain conclusions to be drawn after conducting a comparison with the theoretical part. We also conducted respondent validation, a process where respondents themselves express their opinion on if we as researchers understood their reality in a right manner and to avoid unintentional mistakes in comprehension of their interview answers. Respondent information was also coded because of the anonymity concerns.
3.4.1 Triangulation

Researchers by using triangulation can avoid being given only “the official account”, and that can be avoided through using different perspectives about the same concepts. Especially if the interviewees are differently situated, like in our case where we had interviews with managers and employees from three different offices in different geographical situation. We also combined our interview data with direct observation and provide some archival data through income statements provided and described by Handelsbanken itself.

3.5 Ethical concerns

Our interviewees are of various ages and gender and occupying different functions and positions within the bank. Some of them are relatively newly employed in the bank and some have worked there for a long time. We are not allowed to disclose neither their individual rank nor age, because of the anonymity aspect and ethical concerns, so we use codes for them. Neither have we disclosed what offices we conducted our interviews with, due to the same reason.

We used tape recorder to record our sessions and only one person refused us to record the interview. In this case, we had to rely on taking notes as we did throughout each interview to have a back-up if something would go wrong. All the interviews were transcribed later and we sent them to participants so that they can guard themselves from our unintentional mistakes and correct if something was misinterpreted or they wish to add something that is missing. That increases also the value of quality indicators such as authenticity and truthfulness of the study. We address the participants and their certain characteristics in a special table (5).
Table (6): Questions to managers

<table>
<thead>
<tr>
<th>Question</th>
<th>Leadership styles</th>
<th>Corporate Culture</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. How would you describe your leadership?</td>
<td>√</td>
<td>X</td>
</tr>
<tr>
<td>2. Does your leadership correspond to that of other managers in the bank?</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>3. Is there a typical HB leadership? How would you describe it?</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>4. What do you think about your employees’ traits and characteristics?</td>
<td>X</td>
<td>√</td>
</tr>
<tr>
<td>5. Does the leadership vary according to gender in HB? Is there a typical male or female leadership?</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>6. Do you think that leadership varies along functions?</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>7. Do you rely on “old wisdom” or think about possibilities and threats in the current environment?</td>
<td>√</td>
<td>X</td>
</tr>
<tr>
<td>8. How do you keep your employees motivated?</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>9. What kind of thoughts did you have about bank when you entered on your position?</td>
<td>X</td>
<td>√</td>
</tr>
<tr>
<td>10. What are the premises for socializing in the bank if there are any?</td>
<td>X</td>
<td>√</td>
</tr>
<tr>
<td>11. Do you think that there is any inner-outer group thinking in Handelsbanken?</td>
<td>X</td>
<td>√</td>
</tr>
<tr>
<td>12. How would you describe Handelsbanken?</td>
<td>X</td>
<td>√</td>
</tr>
<tr>
<td>13. What do you think about future in bank? In what direction is the bank heading?</td>
<td>Future and changes</td>
<td>Future and changes</td>
</tr>
</tbody>
</table>

Source: Own construction

This table shows questions to managers adhering to specific concepts presented. For example, question 12 refers to concept organizational culture. X means that we did not get an answer on that specific concept by posing the question while right mark means that we got an answer.
Table (7): Questions to employees

<table>
<thead>
<tr>
<th>Question</th>
<th>Leadership styles</th>
<th>Corporate Culture</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. How would you describe your manager’s leadership?</td>
<td>√</td>
<td>X</td>
</tr>
<tr>
<td>2. How would you describe yourself as an employee?</td>
<td>X</td>
<td>√</td>
</tr>
<tr>
<td>3. Does your manager’s leadership correspond to the leadership of other managers in the bank?</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>4. Is there a typical male or female leadership in HB?</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>5. Is there a group identity among employees in HB? Do different groups exist and how do they differ? Do you know what the groups think about each other?</td>
<td>X</td>
<td>√</td>
</tr>
<tr>
<td>6. Is there any difference among males and females among employees in terms of conduct and thinking?</td>
<td>X</td>
<td>√</td>
</tr>
<tr>
<td>7. Does the leadership differ along functions/departments?</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>8. Do the managers rely “on old wisdom” or are they implementing new thinking?</td>
<td>√</td>
<td>X</td>
</tr>
<tr>
<td>9. Do you feel empowered and motivated?</td>
<td>X</td>
<td>√</td>
</tr>
<tr>
<td>10. What kind of thoughts did you have about bank when you entered on your position?</td>
<td>X</td>
<td>√</td>
</tr>
<tr>
<td>11. What are the premises for socializing in the bank if there are any?</td>
<td>X</td>
<td>√</td>
</tr>
<tr>
<td>12. Do you think that there is any inner-outer group thinking in Handelsbanken?</td>
<td>X</td>
<td>√</td>
</tr>
<tr>
<td>13. How would you describe Handelsbanken?</td>
<td>X</td>
<td>√</td>
</tr>
<tr>
<td>14. What do you think about future in bank? In what direction is the bank heading?</td>
<td>Future and changes</td>
<td>Future and changes</td>
</tr>
</tbody>
</table>

Source: Own construction

This table shows questions to employees adhering to specific concepts presented. For example, question 11 refers to organizational culture. X means that we did not get an answer on that specific concept by posing the question while right mark means that we got an answer.

3.6 Reliability and validity

Bryman & Bell (2015), argue that measurement issues such as validity are not a major preoccupation of qualitative researchers as well as reliability and generalizability. In qualitative studies researchers talk more about dependability that resembles internal validity.
(concordance between observers, if they are more than one, about what they see and hear) and external validity (the degree to which a study can be replicated). Credibility parallels internal validity meaning that the match between researchers’ observations and the theory they develop is good or not while transferability resembles external validity in quantitative research meaning the extent to which findings can be generalized across different social settings. Conformability is about being objective. All that implies, and by using trustworthiness as basis for four criteria: credibility, transferability, dependability and conformability in qualitative research that absolute truths about the social world cannot be reached and there could be probably several accounts for researchers to reveal.

We have done a respondent validation (member validation) through providing an account of what each study participant has said to us as researchers in interview. We sent the transcribed interviews to our interviewees to confirm if we understood their conversation and what was said is in a right manner. In that way, we hope that we have increased the truthfulness and authenticity of our study.

Except trustworthiness there is also criteria of authenticity in qualitative research that implies wider political impact of research and includes fairness (does the study fairly represents different points of view among members of a certain social setting?), ontological authenticity (does the study help members to get at a better understanding of their social environment?), educative authenticity (does the research help members to appreciate the viewpoints of other members of their environment), catalytic authenticity (does the study lead to members engaging in action in order to change their circumstances?) and tactical authenticity (does the research empower the members in order to engage in action?).

According to Yin (2009), four tests have commonly been used to establish the quality of any empirical social research. Because case studies are one form of empirical social research these tests also apply to case studies. The tests are following, according to Yin(2009, p. 40): “construct validity (identifying correct operational measures for the concepts being studied), internal validity (for explanatory or causal studies only and not for descriptive or exploratory studies; seeking to establish a causal relationship, whereby certain conditions are believed to lead to other conditions, as distinguished from spurious relationships), external validity (defining the domain to which a study’s findings can be generalized), reliability (demonstrating that the operations of a study-such as the data collection procedures- can be repeated, with the same results).
To increase validity and reliability of the study we have given the data about interviewees and made transcriptions. At the same time, we intend to send our study to managers in SHB, in hope that the study will contribute positively to their operations and have a positive influence or at least bring a short summary of their organization.

3.7 Limitation of methodology

One possible limitation could be that this is a qualitative study but the descriptions of the leadership and type of corporate culture lead to certain patterns that through interpretative approach add to knowledge development according to our opinion. Other limitations could be that of relying on interviews and not being able to follow managers and employees during their entire working days and that we do not want to reveal managers’ and employees’ age and working experience due to anonymity issue.
4. Findings

In this chapter, we present the findings of the research which are built upon the interviews in Handelsbanken.

4.1 Background about the organization- Our case-Handelsbanken

“The history of Handelsbanken dates to the spring of 1871, when the number of prominent companies and individuals in Stockholm’s business community founded Handelsbanken Stockholm. (Handelsbanken, 2012), This was the result of a personal conflict at Stockholm ‘Enskilda’ Bank, peaking in April 1871 with the resignation of eight board members shortly after they decided to form a new bank. The first council, Handelsbanken, was largely composed of former members of Executive Board of ‘Enskilda Bank’.

During the crisis years of the early 1880s, the bank grew faster than its competitors. In the spring of 1914 ‘Bankaktiebolaget Norra Sverige’ was acquired. The merger significantly helped expand Handelsbanken’s operations, providing branch offices in 36 new cities, along the ‘Norrland’s’ coast, but also some branches in central Sweden. In the 1960s, the Banks’s workload increased significantly.

In the early 1970s, Handlesbanken installed six ATMs on the road, and in subsequent years ATMs were installed all over Sweden. In 1991, the bank’s telephone service, ‘Datasvar’ was lunched, enabling customers to perform routine procedures such as transferring funds between their accounts, check balances and recent transactions. After 140 years, Handelsbanken is a full-service bank for individual and corporate clients, with a national branch network in Sweden, Denmark, Finland, Norway and the UK.

In 2010, the telephone service was expanded when the Bank began to provide personal and private services to companies in Sweden through the Handelsbanken Direct service, which operates 24 hours a day, seven days a week, by experienced banking staff. Since 2010, Handelsbanken has also provided its customers with mobile banking services for smart phones, tablet PCs, standard mobile phones, etc, so customers can manage their core banking business, wherever they have mobile communications with the internet.” History of Handelsbanken (2012).
4.2 Handelsbanken and Leadership

We have found evidence that different leadership types exist in SHB. Some of the managers and employees answered that managers’ leadership styles correspond to that of other managers in the bank due to being educated and “raised” in the same manner within the bank, educated meaning having higher education degree from Swedish Universities and “raised” meaning development within the SHB itself, like advancing from lower to higher position.

We can notice that in following quote taken from interviews.

“X1 argues that his leadership style corresponds to that of others in SHB. We are maulded in the same shape. We often have same thinking and same background. Like many of us have studied business administration and law.” (Manager, interview, 2017-30-11)

We found evidence for mostly democratic, empowering and participative leadership styles in SHB. There were some notions about directive and more authoritarian leadership style but only in one case, that can be ascribed to more traditional approach, but also in connection with a department that tries to minimize the losses if such should occur, that could probably explain the more traditional approach.

Here we give some statements to support our findings about democratic, empowering and participative leadership styles.

“X1 tries to understand how his employee performs. If she does it fast or not, legal answers she is giving and they try to discuss.”

(X1, Manager, interview 2017-11-30)

One manager thinks that her “employees are very competent in their field and push themselves forward. She sees them as her co-leaders rather than employees. Employees love their work and they push themselves to do the work”

(X5, Manager, interview 2017-12-04)

Here we can already notice the existence of democratic and participative leadership styles. One manager points out that “SHB has decentralized organization, where co-workers have to take responsibility and that is difficult to be authoritative because it is not a part of their culture. She demands from co-workers to take responsibility. Employees should like to take own decisions, establish long-term relations and have order. And be at high service-level”.

35
According to one manager her “leadership style is delegating where it is important to trust her co-workers.” She wants them to work like a team.

(X7, Manager, interview 2017-12-04)

Here also we can see notions of participative and empowering leadership styles.

According to one manager, his “leadership style is about meeting people with respect and he trusts all the people around him. The staff wants to do their best each day and his job is to keep his fingers away from interfering in the job. And that's how they do it in Handelsbanken’s culture and it is according to their culture to show trust and respect to the people in the bank, employees as well as customers”.

In case of future managers, one manager argues that,” they have to feel when they make their own decisions. They need people who need to think and take their own decisions. They want people who contribute to their working environment. And that develops both their bank and themselves.”(X9, manager, interview, 2017-12-04)

About keeping the employees motivated, one manager suggests, that “if you don't interfere with their job, then the employees are motivated. If you stand firmly with SHB culture and trust and let them find their way and to make decisions, then they are more motivated. And if the employees need support then X9 supports them but he does not interfere with them. They can reach the same goal in different ways and they let everyone do it in their way. And give the people the possibility and they could become leaders as well”.

(X9, manager, interview 2017-12-04)

According to another manager, she has” a strong belief in her employees. X5 has full confidence and thinks that all her employees are very competent and self-going. X5 says that she does not have to push them to do their work and that the employees are free to discuss when they need to”. (X5, manager, interview, 2017-12-04)

One manager, (telephone interview 2017-12-04) argues that “coaching is her type of leadership style. She gives her employees clear expectations about what they are supposed to manage in their work and she helps them with the objectives.

Most of the managers like to coach and develop other employees. That is the most common approach.”

One manager suggests that “by reinforcing, supporting and monitoring the employees and giving feedback she tries to keep employees motivated. The sense of zeal from employees’
side is also important. Their daily lives and plans. And to acknowledge in a good way even when employees step out of their comfort zone”.

(X4, manager, telephone interview 2017-12-04)

One manager claims that she “keeps her employees motivated through positive reinforcement. X5 suggests that she is a big hug, warm person, interested in everyday life of her employees. She always asks them about their lives. Most of her employees always liked her no matter the job. In her work if the employees do something good then she tells them and motivates them. You have to see (consider) your employers to keep them motivated”, according to that manager (X5, manager, interview 2017-12-04).

Leadership styles differ according to the position and the function, by employees described as difference in personalities. When appointing someone SHB relies a lot on their values and coherence with corporate values while certain positions and areas/fields often require specific characteristics.

“And that the leadership style varies but according to person and their personality.”

(X4, Manager, telephone interview, 2017-12-04)

“We have many kinds of leadership in the bank, but it depends on the person. And what kind of individual he or she is.” (X10, employee, interview 2017-12-04)

Considering if her leadership style corresponds to that of other managers in the bank,

“One manager argues that she does not think so because they (the managers) certainly have similarities but that the leadership style depends a lot on personality.” (X5, manager, interview 2017-12-04)

We found out that there is predominantly a single and typical leadership style for SHB and that is transformational leadership style. The evidence stated above and judging from interviews points out towards existence of three subtypes of transformational leadership and those are democratic, participative and empowering leadership substyles. Through direct observation, where we met six participants of the study among ten, we could notice that both managers and employees are charismatic, polite, modest, knowledgeable and devoted to their occupation. That tells us however more about their traits than leadership styles, so we now try to present what we found important to put forward in our examination:
One employee points out that "all the leaders have similar leadership style and that it is a way of having an organization and that everybody follows it". (X2, manager, interview 2017-11-31)

Managers consider their employees to be motivated and devoted to their tasks and they do the usual follow-ups on the employees’ performance. Employees consider their managers to delegate the responsibility in a good manner and not to interfere with their obligations unless the help is required.

Mostly, the managers and employees agreed upon that there is no typical male or female leadership style within SHB, but that there are some characteristics that could be assigned to male or female gender in general and that in that sense there could be some differences. But otherwise, differences among leadership styles were mostly assigned to differences in personalities among managers.

SHB managers are well aware of possibilities and threats in their current environment relying on “old wisdom” as well as following the current developments, both according to themselves and their employees.

Table 8- Summary on leadership in SHB

<table>
<thead>
<tr>
<th>Advancement from lower position to higher one within the bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational types of leadership including democratic, participative and empowering leadership styles</td>
</tr>
<tr>
<td>Trust and confidence in co-workers</td>
</tr>
<tr>
<td>Encouraging and motivating employees to take their own decisions and show responsibility</td>
</tr>
<tr>
<td>Coaching and developing employees through positive reinforcement and monitoring</td>
</tr>
<tr>
<td>Leadership varies according to function and rang but is more ascribed to leaders’ personalities</td>
</tr>
<tr>
<td>No typical male or female leadership in SHB</td>
</tr>
<tr>
<td>Leaders take both old wisdom and current possibilities into account when making decisions</td>
</tr>
</tbody>
</table>

Source: Own construction

This table shows the findings about leadership in SHB.
4.3 Handelsbanken and Corporate culture

There is a big notion of cohesive corporate culture among employees and managers in SHB. We could not notice existence of in and out group thinking in SHB, but rather everybody seems to adhere to same corporate culture. We noticed that most of the respondents had certain difficulties to address our question about inner and outer group thinking, (question nr. 11 to managers and nr. 12 to employees-see Appendix) leading us to think that the SHB culture is cohesive and that such polarization is not a part of their corporate culture. On the contrary, we heard statements as’’We are like a family’’ and having corporate publications named ‘‘Our way’’. One Manager argues that SHB has a strong corporate culture and that is ‘‘Our way’’. (X5, Manager, interview 2017-12-04)

Different groups seem to exist but they are not given almost any significance probably because they are a part of corporate life as going with peers to lunch and having coffee breaks together. However, there could be possible existence of different opinions about different departments and what those are doing but this is probably due to maybe lack of communication or knowledge of different procedures among departments. One Employee argues that "there are different groups and that depends where you work. If groups work in the branch, then they see them as a group. But she has worked in Stockholm and she knows that there is a group in within that group as well. Like for example, analysts, SHB has people working in IT. It differs because of the organization and the work that you are set to do. And if you work in department then you should have different skills. So, there are different groups". (X10, Employee, interview 2017-12-04)

SHB organizes festivities twice a year, before summer holidays and during Christmas. People usually mingle according to their interests. It happens that certain offices have activities among employees like training, bikeriding, knitting together. SHB has a decentralized way of thinking, while other banks are considered to be more hierarchical. One Manager argues that "SHB has decentralized organization and they do not have a budget but certain goals that they have to accomplish". (X4, Manager, interview 2017-12-04) SHB tries to do the things in other way, to make difference and keep their customers satisfied. It is the branch officers that are leading the bank. In one office for example, the staff drinks coffee for about 20 minutes in the afternoon, talk about anything. At Christmas parties, that are organized, there are usually about 50-60 people and it is quite common to have parties before Christmas.
Physical activities are also organized by bank twice a year during one to two months were people walk and run together. SHB is a serious bank and it is important to follow rules and behave correctly. To risk something with bad behavior is not acceptable. SHB employees try not to speculate and they are supposed to give good advice and do what is correct. SHB has strong corporate culture, loyal co-workers, the “local factor” is of outmost importance and SHB is devoted to customers and service-minded. In a certain office beside fika (Swedish coffee break) the employees go out after working hours sometimes and mingle. Employees enjoy being a part of the same culture and the employment periods are very long. There are no expressed or direct selling goals and no “bestselling competitions”, instead SHB works from customer perspective. One manager points out that "SHB has decentralized organization, where co-workers have to take responsibility and that is difficult to be authoritative because it is not a part of their culture". (X7, Manager, interview 2017-12-04)

SHB corporate culture is also named “Our way” and they issue a brochure that is called the same. In some aspects SHB has less hierarchy, where even top managers can go out for lunch with other staff. SHB pays for usage of gym and other activities to their employees up to 3000 kr per year. And SHB pays for aid equipment in form of glasses and hearing devices if needed to their employees. Instead of in and out group thinking; SHB is more united among themselves in competition with other banks. All the responsibility for business is delegated to branch managers and they are the ones that run the business, in that way, SHB has a short decision making way and flat organization. SHB employees are a tight group and SHB recruits internally, where you climb and go from smaller offices to big. One employee points out, “The branch in some way formed the leadership style of the internal managers today…SHB recruits internally…X6 continues, that if you look at other organizations those organizations have more recruited persons from other companies. You climb within SHB, you get to bigger branch or to some bigger office.” (X6, Employee, interview 2017-12-04)

There is a big freedom to socialize with others and it is easy to say what you want to say and express ones opinion regardless if it is in group or to managers. One Employee thinks that "there is freedom to choose how to socialize with others. It is very easy to say what you want to say. It does not matter if it is in the group or to managers. You always have some rules also, but you just say your opinion". (X6, Employee, interview 2017-12-04)
SHB is a “universal bank” where fate in and respect both for customer and employees is important. SHB has its own unique way. When hiring people SHB tries to find people who can be managers in the future. According to one manager "would describe SHB as a universal bank, with fate in and respect for customer and employees, are important. The customer should always be at the center. It is the decentralized organization that characterizes how to do business". (X7, Manager, interview 2017-12-04)

Their business model depends on that, because they have many branch offices and they need many managers. It is important for them to have managers who share SHB values. The staff within SHB are good colleagues. Employees in SHB are proud of working in SHB. The employees talk of the strong values SHB has that makes the bank unique. SHB is considered to be a good employer where you can develop yourself, working with different kinds of assignments and there is no limit about what you can do. It is only upon oneself what one wants to achieve and you will get the support of managers.

Table 9- Summary on corporate culture in SHB

<table>
<thead>
<tr>
<th>Cohesive corporate culture, sometimes called “Our way”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decentralized way of thinking and flat organization</td>
</tr>
<tr>
<td>Not large inner-outer group thinking</td>
</tr>
<tr>
<td>Slight differences among departments in communications</td>
</tr>
<tr>
<td>Joint activities and festivities during spare time and holidays</td>
</tr>
<tr>
<td>Long employment periods among employees</td>
</tr>
<tr>
<td>Being local and doing things differently</td>
</tr>
<tr>
<td>Possibilities for employees to develop</td>
</tr>
<tr>
<td>No direct budget, but rather goals to achieve</td>
</tr>
<tr>
<td>SHB recruits internally, managers come from within the bank</td>
</tr>
</tbody>
</table>

*Source: Own construction*

This table shows the findings about corporate culture in SHB.

4.4 The relationship between leadership and corporate culture in SHB

They told us that employees are motivated and that there is low employee turnover. Some of the employees have been working in SHB for a long time. The same applies for leaders. That could be an evidence for an effective leadership.
We found out that values are of utter importance for both employees and managers in SHB. They are emphasized and it is probably so that the values serve as basis for building healthy corporate culture and developing future managers.

One employee says concerning if his manager’s leadership style corresponds to that of other managers in the bank “It does. Before he came to economy office he was working in other places, and almost all the managers come from the branch offices, that is why they probably have the same leadership style. The time at the branch offices probably has formed the managers’ way of acting.”

“We are customer oriented bank, and almost everyone has some time worked in the branch. The branch in some way formed the leadership style of the internal managers today…SHB recruits internally… if you look at other organizations those organizations have more recruited persons from other companies. You climb within SHB, you get to bigger branch or to some bigger office.”

(X6, employee, interview 2017-12-04)

According to X7, a manager, (telephone interview 2017-12-04),“her leadership style is delegating where it is important to trust her co-workers. She wants them to work like a team. X7 argues that her leadership style corresponds to that of other managers in the bank where trust and fate in employees are important. X7 points out that SHB has decentralized organization, where co-workers have to take responsibility and that is difficult to be authoritative because it is not a part of their culture. She demands from co-workers to take responsibility. Employees should like to take own decisions, establish long-term relations and have order. And be at high service-level.”

X8 describes SHB as being “a large bank, with hundreds of possibilities for employees and that it depends on yourself how far you will go. There are a lot of departments both in Sweden and all round the world. SHB is a good employer, taking care of people. X8 argues that she is the proof that SHB is a good employer. (Because she has been working in SHB for a long time).

(X8, employee, telephone interview, 2017-12-04)

Probably the managers have the same values and the same culture. And leadership style can depend on what situation special branch is in special time. “If you have new employees they need more coaching. If you have like me in my office, very experienced employees, then you need less effort. This department drives by itself. If this department was not so experienced then I should be another type of leader then”. (X9, manager, interview, 2017-12-04)
X10 points out that “she thinks about SHB, as a good employer where you can develop yourself and you can work with many different kind of assignments and there is no limit about what you can do. And it's about what you what to achieve and you will get the support from your managers. And then it's all up to you.”

(X10, employee, interview, 2017-12-04)

4.5 Summary of findings

Table (10) summary of findings

<table>
<thead>
<tr>
<th>Leadership styles</th>
<th>Corporate culture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership styles correspond to each other and differ only according to personalities of the leaders.</td>
<td>Cohesive corporate culture, sometimes called “Our way”</td>
</tr>
<tr>
<td>Existence of mainly one leadership style-transformational leadership and three different types of leadership substyes-democratic, participative and empowering</td>
<td>Resembling Guided missile type of corporate culture</td>
</tr>
<tr>
<td>Trust and confidence in employees</td>
<td>Not large inner-outer group thinking</td>
</tr>
<tr>
<td>Empowerment of employees and support to develop</td>
<td>Slight differences among departments in communications</td>
</tr>
<tr>
<td>Difference in leadership styles along function and rang</td>
<td>Decentralized way of thinking and flat organization</td>
</tr>
<tr>
<td>No direct budget, but rather goals to achieve</td>
<td>Joint activities and festivities during spare time and holidays</td>
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<td></td>
<td>Long employment periods among employees</td>
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<tr>
<td></td>
<td>Being local and doing things differently</td>
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<td></td>
<td>Possibilities for employees to develop</td>
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<td>SHB recruits internally, managers come from within the bank</td>
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Source: Own construction
5. Analysis and discussion

In this chapter, we analyze and discuss the findings by comparing what we found out through findings with theoretical stance.

5.1 Handelsbanken and Leadership

Eagly & Johannesen-Schmidt (2001), point out that men and women do not differ from the task-oriented approach. Regarding to measures that establish tendencies as democratic versus autocratic, men are more authoritarian or directive than women, and women are more democratic or participative than men. We could see evidence for that kind of directive leadership but only within one or two departments, where one employee comments her leader’s leadership style as being directive. One more respondent argued that men are more directive in their leadership style and that women are softer. But that certain department has a task to minimize the losses so that could be a reason to such more traditional approach.

Schneider & Schröder (2012), claim that this leadership could be viewed as bureaucratic, because in this modern society with diversity of employees, changes in social behavior and motivational tools, the leaders still use the “old” hierarchical model and power, that allocates manpower at the bottom of the hierarchy and therefore influences the reward system for employees’ achievements as contemporary and less effective. Sims et al. (2008), point out that transactional leadership consists of awards given by leader to influence a follower. The follower is supposed to make an effort and comply with performance and loyalty toward leader.

Chaudhry & Javed (2012), argue that the transactional leadership means leaders who lead primarily by using social behavioral exchanges for maximum benefit at low cost. Leaders motivate their employees to perform their duties, to show their responsibilities, to know their goals, to know their needs so that their reward can be achieved. In the method of driving transactions if you work well then you will be rewarded because of good work and if you do not show your commitment to your organization you will be punished. Leaders also help subordinates on how to do business for the organization and how to achieve organizational goals.

We did not find any support for transactional leadership in SHB because we could not find the link between leadership and giving rewards/punishment to the employees for their performance. Some respondents mainly managers mentioned that they support and
acknowledge their employees performance by giving them positive feedback but no financial rewards were mentioned.

We could not find evidence for “old” hierarchical models but instead employees and managers were talking more about flat and decentralized type of organization. We also found out that there are no real budget constraints meaning that there are only goals that should be achieved.

According to de Poel et al. (2014), the transformational leadership has an aim to transform the beliefs and behaviors of individual employees to be able to maximize the result of the performance. The transformational leader is also considered as a visionary that has the ability to easily explain and make the employees understand the goals to achieve, what appears to affect the employees’ motivation level positively and in that way, create a commitment to the organization and empowering the relationship between the organization and employees. This type of leadership is more successful in project teams that often work on complex and meaningful goals.

Transformational leadership includes inspiration and changing of a follower’s motivational state by providing a vision of future. It represents according to Sims et al (2008), “the most popular current view of leadership”.

We could find evidence for transformational leadership in a sense that SHB managers made their employees feel committed and affecting their motivation level positively. That creates a commitment towards organization something that can be seen in long-term employment and staying within organization. Some respondents argued that there is a CEO that provides vision for the SHB as we could interpret it by being a part and giving out a brochure called “Our way”.

**Empowering leadership**

Sims et al. (2008, pp. 150), argue that empowering consists of “influencing others by developing and empowering follower self-leading capabilities” Leader provides skills to follower to contribute to the organization.

Zhang & Bartol (2010), suggest that empowering leadership has the potential to positively influence employee psychosocial empowerment, and is an important element in influencing creative results.

According to Lorinkova, Pearsall & Sims (2013), each leadership style tends to enhance followers' performance because both mentoring and empowering leaders are actively trying to
improve team effectiveness through well thought out and planned behaviors. Empowering leadership tend to benefit from interlinked groups through the development of participatory and collaborative standers among members, encouraging them to contribute ideas, deciding on optimal courses of action and assuming responsibility for team performance.

Considering empowering, we could find evidence that leaders do empower their employees in SHB. Many employees spoke about that they feel empowered and certain managers told us how they give much freedom to their employees and that employees can achieve almost anything within SHB and have possibility to climb the hierarchical ladder by being committed to work. We did not find differences that only certain employees are being empowered but the rule seems to apply for each employee, something that implies the occurrence of empowering leadership within SHB.

The leaders in SHB did not neglect future goals, and in that sense even if relying on situational forces of present the leaders seem to probably have clear picture about the future and being aware of it, for example by mentioning digitalization era and what can be expected from it.

**Participative leadership**

Huang, Iun, Liu & Gong (2010), Rok (2009), Somech (2005), argue that participative leadership enhances work performance through inducing empowerment for managers and by inducing trust for employees. Empowerment is seen as a source of motivation and trust is seen as an exchange based motivator. That means that by motivating and empowering their subordinates, work performance can be enhanced as well as by having trust in their supervisors, that can improve the exchange between subordinates and superiors leading to better work performance. The motivational model implies that subordinates that can participate in decision making, get more intrinsic rewards from work and better empowerment that may result in improved work performance. And to develop high trust in their superiors among subordinates, superiors should try to send a message that they have respect, concern and confidence in their employees. By such exchange-based model, subordinates will try to reciprocate by doing more for their bosses and organization.

Participative leadership is defined as shared or joint decision making by superior and his subordinates and there are certain benefits in applying it; such as; it probably will increase the
quality of made decisions and to contribute positively toward better motivation and satisfaction at work.

We noticed that leaders motivate and empower their subordinates in SHB. One among managers suggests that he has trust in people around him and employees mention that they can develop. Another manager argues that she sees her employees as co-workers, meaning that she has trust in her employees, as well as, that employees are involved in decision making process.

According to Somech (2005) participative leaders try to encourage their subordinates to discover new opportunities and challenges and to learn and share experiences and knowledge. With open communications that is common in this leadership style it can lower the barriers between individuals and in that way contribute to development of new ideas; being approved, critiqued or refined with minimum social risk. Subordinates are expected to contribute to the task, both by their superiors and team members, and meeting the expectations is valuable. Participative leadership leads to improved innovation and team attitudes, by increasing motivation through empowerment, according to Somech (2005), in her study of teachers in elementary schools.

We noticed that employees are motivated, something that is proven by long employment periods, because employees tend to stay within the bank for long time. Some employees claim that they do not have to bother about what they are going to say but can express their opinion freely, something that proves the existence of participative leadership in SHB.

Participative leadership is involving employees in decision making across levels of hierarchy. It affects the social performance of the organization, being involved in internal and external dialogue. The leaders should be responsive to feedback of others, like employees, involving employees in making and implementing decisions. When the employees take part in decision they see the whole system as more fair and as a result of this empowerment they participate in a more open way with their peers and others. Rok (2009), argues that the more participative different aspects of an organization are, the more visible are the chances for its effectiveness. Employee empowerment is a big success factor and should be based on values of all members of the organization. Participative leadership is at the centre of a shift in a corporate world, where decisions are more and more made in a decentralized way rather than top-down manner and where shared values among employees are of utter importance.
Employees in SHB feel empowered and managers receive feedback from employees and SHB has a decentralized organization where corporate values are important and serve as basis for both hiring and advancement within the organization, something that assures the occurrence of participative leadership within SHB.

**Democratic leadership**

According to Gastil (1994), Barker (2001), democratic leadership is distinct from positions of authority in three ways: distributing responsibility among members of the group; empowering group members and helping the group’s decision making process. Most of the researchers have advocated but not defined democratic leadership. Instead, they have described undemocratic practices that result in apathetic and dependent followers, inefficient implementation and mystification of decision making and that undermines self-determination and personal development. The distinction between democratic, authoritarian and laissez faire leadership lies in that the democratic leaders rely on group decision making, active member involvement, sincere praise and criticism and a degree of fellowship between managers and subordinates. Otherwise, the leaders either dominate (authoritarian) or are uninvolved (laissez faire). Gastil (1994,p. 957), argues that another definition is: “democratic leadership is a behavior that influences people in a manner consistent with and/or conductive to basic democratic principles and processes, such as self-determination, inclusiveness, equal participation and deliberation”. Democratic leadership is a result of the influence of leader’s behavior that is consistent with democratic principles. Democratic leaders must try to prevent the establishment of hierarchies where status and privileges dominate and should develop environment where behaviors that sustain that democratic process prevail.

We could notice that group members are empowered within SHB and that SHB has flat organization implying that hierarchies are not big. Managers get the input from employees and one manager suggested that she delegates the responsibility among employees and coach and empower them, an assertion that implies the presence of democratic leadership within the bank.

Gastil (1994, p. 971), claims that “democratic leadership may flourish where there exists free press, a relatively egalitarian family structure, a relatively prosperous economy and a wealth of personal freedoms”, but according to Foels, Driskell, Mullen & Salas (2000), there is a paradox if the group members are more satisfied with democratic or autocratic leadership. It probably depends on group characteristics and leadership styles. Group’s satisfaction levels
increase if the leaders are democratic in some groups and situations and if they are autocratic also in some groups and situations. It depends on following aspects: reality of the group (real groups in natural situations vs. artificial groups in laboratories) group size (as the group size increases groups become less cohesive and members less satisfied), gender composition of the group (women are less satisfied with autocratic leaders than men are, stemming from that women are raised to be more relationship oriented while men are more competitively oriented) and potency of the leadership style (moderate or extreme application of leadership style).

SHB has family type of corporate culture and regardless of big group size, with many employees throughout Sweden, they are still very cohesive and managers are democratic something that seems to contribute positively to employees motivation and satisfaction.

5.2 Handelsbanken and Corporate culture

According to Ke& Wei (2008), organizational culture is defined as a set of values, beliefs and common assumptions within the organization. This set of basic beliefs influences employees' perceptions and behavior. Organizational culture is usually defined in terms of the way people think and have a direct impact on the ways they behave. For example, the realization that culture is manifested in terms of behavior and values adopted. Organizational culture is known to be important for the success of projects involving organizational changes.

Schein (1990), argues that the level of values, usually goals, ideals, standards, ethical principles cannot be tested. Delic & Nuhanovic (2010), argue that culture can simplify decision-making and implementation, because shared common beliefs and values provide a consistent set of basic assumptions and preferences for the memberships of Organization.

We could find evidence for values where one employee was thinking that SHB is an interesting employer and that the values are important both within the bank and to herself personally. The future is that the banking sector is changing rapidly but that the SHB go the other way where important things are values and to do things differently. Women have maybe more soft values and women have bigger demands on themselves, but it is not typical for SHB, according to employees.

One manager argues that it is important for them to bring people who want to become managers and who like their SHB values. While one employee argues that she thinks that the most SHB employees are proud of working in SHB and that because they have strong values.
We argue that values guide the view of the organization as well as its action. Making a set of shared values can help the organization define its culture and beliefs. When members of organization participate in a common set of values, the organization looks united when dealing with different issues.

One employee argues that there could be a lot of group building because different people have different responsibilities but they talk to each other on similar things. Because they have a lot to do, each task is done by specialists for that task and each group has its own function. While one employee argues that there is a strong corporate culture and that everybody forms one group. There is a family feeling about the bank, but there are no vivid groups in the bank. Women tend to be more careful, in general and the men are more assertive.

One manager argues that there are some small differences between some groups, but the employees enjoy being a part of the same culture and the employment periods are very long. One employee argues that you can get a group feeling, where the closest co-workers are within that group and they could be more friends than the others so to say but they all still work together. While he argues that it can be a group thinking concerning small things or in part, which does not affect the work as well as that they remain as a group. They are a group, tight group, and it does not matter where you work in HB, the branches or that you work internally but that it is different in branches where they work with customers, they have very stressful days sometimes.

One employee points out that there is a group identity among employees and that is being proud of being employee at SHB. Most have been in the bank for a long time and one employee claims: “We consider ourselves like some of kind of church but this is said with a smile”. While another employee argues that there are different groups and that depends where you work. It differs because of the organization and the work that you are set to do.

SHB’s corporate culture seems to be decentralized and flat. According to Trompenaars & Humpden-Turner (2011), family metaphor is used for cultures that are personal, including face-to-face relationships, but also hierarchical in the sense that the leader or “father of the family” has more of experience and authority then his “children” and even more when the children are novices and unexperienced. It means that the leader knows better than his/her subordinates and that he/she is like a caring parent who helps by providing guidance and knowledge.
Family culture is both person-oriented at the same time has a hierarchical mode. We heard about examples that it is the managers’ personality that impacts the type of leadership, and judging from previous examples as well as employees and managers mentioning that they consider themselves as family or even a church, even though said with a smile, and having a internal publication called “Our way” leads us to think that SHB’s corporate culture could have a notion of family type of corporate culture.

We could notice evidence for such an assertion because the leaders in SHB guide, motivate, empower and develop their subordinates. It could be an example of corporate-oriented power. Usually, that kind of leaders determine pattern and tone of the organization and steer company in a certain direction, while subordinates are supposed to know what is appropriate and required and to serve a leader is a reward in itself. But, at the same time, employees claim that organization is decentralized and flat.

We heard about the notion that employees should know about the conduct or behavior that is required by them and adhere to it. In that way, the employees are role-oriented and that leads us to think that SHB’s corporate culture could be Eiffel Tower type of corporate culture.

SHB also does not have to adhere to budget constraints, because they are supposed to fulfill and achieve certain goals. In that way, they are task-oriented and having in mind that SHB’s organization is decentralized and flat leads us to think that SHB’s corporate culture could be Guided Missile type of corporate culture.

We argue, judging from prevailing aggregate evidence from the interviews and as we later explain in conclusions as well, SHB’s corporate culture probably mostly gravitates toward being Guided Missile type of corporate culture.

### 5.3 Relationship between leadership and corporate culture

According to Warrick (2017), organizational culture can have a significant impact on organizational performance, employee motivation and turnover. Companies that have healthy cultures excel at sales and stock increases. Healthy cultures are characterized by effective leadership while unhealthy have traits of ineffective leadership.

We could notice that employees are motivated and that there is low employee turnover. Some of the employees have been working in SHB for a long time. The same applies for leaders. That could be an evidence for an effective leadership.
Warrick (2017), argues that culture can be seen as a remedy for many organizational problems, but at the same time recognizes that organizational culture can often be seen as an outcome rather than a cause of organizational practices. That means that by exercising effective leadership, organizational culture can be influenced in ways that builds, develops and sustains healthy cultures.

Furthermore, he (2017), points out that leaders influence corporate culture through strategies, values and example. Often, organizational culture reflects their leaders. But, the same leaders can be a cause of unhealthy cultures through ineffectiveness, not being a good fit for existent or desired culture or even being a good leader but making bad decisions. Behaviors that are valued or devalued shape the way people behave in the organization.

We could notice that values are of utter importance for both employees and managers in SHB. They are emphasized and it is probably so, that the values serve as basis for building healthy corporate culture and developing future managers.

He (2017), suggests that because people usually respond to behaviors weather good or bad but that are valued and rewarded and avoid the behaviors that are not esteemed and valued. The leaders that recognize that fact should apply desired behaviors and those that bring forth the motivation among the employees. To develop a strong culture, where there is a clear understanding of norms and values and that influence on the behaviors and practices of employees should be the goal to attain. The only exception here is that culture can be strong but unhealthy and then there could be a problem also.

SHB’s corporate culture evolves around values. The values are represented through both managers’ and employees behaviors and actions. Motivating and empowering employees is of big importance. In that way, SHB has developed both strong and healthy organizational culture. Strong culture can be noticed because of the its’ cohesiveness and adhering to corporate values that apply both for managers and employees. The culture is also healthy something that is proven by employee retention and low turn-over. Most of the employees stay within SHB for a long time. In that way SHB seems to have achieved its goal in developing and nurturing a strong and healthy corporate culture.

But, according to Tsui, Zhang, Wang, Xin & Wu (2006), there are functionalist and attribution approaches to the subject of the leadership and organizational culture interplay that both support the interconnectedness between them. Functionalists on one hand, take for
granted that leaders have an influence on corporate culture. It is the leaders that shape and form organizational culture. On the other hand, attribution advocates that leaders in the eyes of the members of the organization are responsible for corporate outcomes. In that way CEO’s can either take credit in if the firm does well or try to explain away the bad results. They (2006) argue that there could be more aspects that the organization has to deal with, like larger technological, social and cultural developments and concerns that can have an influence on both leadership and corporate culture. The authors (2006), suggest that according to anthropological view, leaders cannot create a culture because it emerges from the collective effort and through social interaction of groups. In that way leaders are a part of culture and culture is not like a possession that someone has but it merely is.

It can be argued that corporate culture is a result of a collective effort and in that sense SHB has developed a strong and healthy culture but it has to have been guided by leadership vision and actions in order to be developed. In that way, effective leadership has proven to be the case in SHB. We could notice that leaders through the actions, for example by empowering and motivating their employees, give guidance to employees about in what way to develop and the do’s and don’ts within designated behaviors. At the same time, leaders in SHB give a lot of freedom to their employees, so they can test their abilities and capabilities. By nurturing those traits leaders have succeeded in developing a good basis for learning and advancement within the culture. It is like a self-supplying system where leaders decide the course of action and are a cause of existent corporate action but the effect becomes in more knowledgeable employees that can become future leaders if they want and aspire so. So, through leadership vision and action, culture has achieved to bring forth future leaders within SHB. The mediator of such interplay can be seen in corporate values something that both leaders and employees have to adhere to, to be a part of organization. In that way, by developing its corporate culture has proven to be successful for SHB, because it paved the way for both good implementation of corporate values but at the same time is a cause of new leaders to have solid basis for development. It can be argued that this type of corporate culture has been a main determinant for cohesiveness among employees as well as source of new potential leaders to emerge. But, it can also be argued that, that kind of corporate culture probably cannot develop on its own but instead has been conceptualized and guided by effective leadership.

According to Xenikou & Simosi (2006), transformational leadership leads to achievement oriented culture. Past organizational performance, in terms of success or failure influences also the adoption of norms and leadership that are supported within the organization.
Managers by working on the culture can increase performance and leadership should be guided by what corporate culture has proven successful in order to nurture and develop those cultural traits.

That also seems to be the case, within SHB, where low employee turn-over can be an evidence for such a notion, meaning that organizational culture has been developed, withheld and proven successful in SHB as an organization. Otherwise, employees would probably be unsatisfied and would maybe leave the organization. In this way, the employees have good possibilities to develop and are motivated and supported by leadership to do so in order to serve the organization in even more responsible way.

Schaubroeck, Cha & Lam (2007), argue that transformational leadership influences team performances through team potency which is moderated by team power distance and team collectivism, meaning that teams with higher power distance and team collectivism show more positive effects of transformational leadership on team potency. It is through those two values (power distance and collectivism) that teams boost their self-confidence.

We could notice that team collectivism is highly developed within SHB, something that is implied by own publications such as newspaper “Our way”. Power distance is not that emphasized because SHB has a flat organizational structure but it is easy to approach the managers for guidance. At the same time managers guide and motivate their employees, and through application of transformational leadership, such as democratic, empowering and participative leadership sub styles, managers also affect team potency in a positive manner.

SHB’s corporate culture evolves around values. The values are represented through both managers’ and employees behaviors and actions. Motivating and empowering employees is of big importance. Strong culture can be noticed because of the its’ cohesiveness and adhering to corporate values that apply both for managers and employees. The culture is also healthy something that is proven by employee retention and low turn-over.

We found out that leaders through the actions, for example by empowering and motivating their employees, give guidance to employees about in what way to develop and the do’s and don’ts within designated behaviors. At the same time, leaders in SHB give a lot of freedom to their employees, so they can test their abilities and capabilities. So, through leadership vision and action, culture has achieved to bring forth future leaders within SHB. The mediator of
such interplay can be seen in corporate values something that both leaders and employees have to adhere to, to be a part of organization.

Through employees’ motivation and empowerment that is exercised by leadership, and corporate culture having an influence on leadership by managers being recruited from within the bank, through internal processes and having to adhere to corporate values, leadership and corporate culture affect each other.

5.4 The Relationship between Leadership and Corporate culture in Handelsbanken

Leadership

Transformational:
- Democratic
- Empowering
- Participative

Corporate culture

Guided Missile

Employees’ motivation and empowerment

Internal recruitment

Source: Own construction

Also as Yukl (2012), argues the main objective of leadership behavior in organizations should be to impact and make individual and collective efforts easier to achieve shared objectives and according to Lok & Crawford (1999), organizational culture could have a great impact on organization primarily in field of commitment and performance, as well as Bateman et al. (2002), suggest that leadership consists on influencing subordinates’ motivation by setting goals and making an impact on others’ goals.

Leaders in SHB by applying transformational leadership and its substyles democratic, participative and empowering leadership affect the corporate culture through employee motivation and empowerment and guided missile type of culture serves as a basis for internal recruitment of future managers within the bank.
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<tr>
<th>Section</th>
<th>Theory</th>
<th>Empirical findings</th>
<th>Analysis</th>
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<tbody>
<tr>
<td>Leadership</td>
<td>Pearce et al. (2002)</td>
<td>Empowering, democratic, participative</td>
<td>Managers and employees like to discuss and managers view they employees as co-workers, managers expect employees to take their own decision and to take responsibility, managers want employees to work like a team, it is important to show trust in employees, it is important to coach and develop employees as well as reinforce, support, monitor and give feedback and to acknowledge them</td>
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<td>Eagly &amp; Johannesen Schmitt (2001)</td>
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<td>Ke &amp; Wei (2008)</td>
<td>Guided Missile Corporate Culture</td>
<td>Some of the managers talk about cohesive corporate culture as well as employees talking about that they are like a family. There is also internal publication called “Our way”. Both managers and employees claim that they have a united stance within the bank and see only other banks as competitors. There is no big inner-outer group feeling</td>
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among the members of the bank, implying about cohesive corporate culture which mostly resembles guided missile culture type.

Source: Own construction
6. Conclusion

The following chapter consists of answering the research questions posed and the general conclusions that can be drawn from this study as well as critical reflection of our study and suggestions for future research.

6.1 Answer to research questions:

6.1.1 Research question 1: What leadership does SHB apply?

There is a certain harmony in how managers and their employees view themselves in SHB. We found evidence that different leadership styles exist and that they maybe can be ascribed to rang and position, like that certain managers could apply different leadership styles depending on their position and thereby maybe situation they are in, but first and foremost to personalities of managers, meaning that application of different leadership styles depends on how managers are as persons and their inclinations and what kind of prior education they have. Managers in SHB, judging from being in contact with three offices, practice mainly one type of leadership style and that is transformational leadership style by using three substyles - democratic, participative and empowering. They give responsibilities to employees and trust them. Employees have opportunities to develop and get support from their managers.

Managers by employing different leadership sub styles as democratic, participative and empowering have direct influence on corporate culture through employee motivation and empowerment. They mauld the corporate culture by empowering, motivating and supporting their subordinates, in order to develop future leaders within the company, who later transmit the same knowledge and experience to their subordinates. Because the corporate culture serves as basis for developing future leaders, through internal recruitment, the emphasis also lies on corporate values, because they are the fundament for successful implementation of development of future leaders in the company.

6.1.2 Research question 2: What is the corporate culture in SHB?

Our study indicates that, SHB, has succeeded in implementing its values and corporate culture among both managers and employees. Everybody is proud of being a “Handelsbanker”. There is the presence of strong and cohesive corporate culture that can be noticed throughout their branch offices.
We could notice a notion of “family culture” within SHB, where employees expressed their affiliation with SHB’s values. But, this type of culture is connected with the hierarchical structure, where power is allocated to the “father” that guides his “children” and in SHB’s case we could notice that employees are task-oriented and role-oriented. By supplying good service to their customers, implying that the corporate culture could rather be Guided Missile or Eiffel Tower culture. However, SHB has flat organization and is not that hierarchical leading us to conclude that SHB has more egalitarian type of culture, and in that sense stands for Guided Missile culture.

When discussing family, and publications within the company like magazine “Our way”, being like “a church”, employees really meant the cohesiveness of the group. There is not big inner-outer group thinking that implies the cohesiveness of the culture. Groups get along well, having activities that are sponsored by company as well as health enhancement. There is some lack in communications between departments for example head offices and countryside offices. There is a decentralized way of thinking and flat organizational style. They organize festivities twice a year.

This specific type of culture, namely “Guided Missile” culture seems to have worked well for SHB, judging from their performance. Cohesiveness of the group could be noticed within the company where employees are motivated and empowered and the spirit is democratic and participative. It also serves as basis for corporate values where managers are “mauled into same shape”, develop internally and adhere to same corporate values. Furthermore, employees tend to stay within the company for long employment periods, meaning that there is a strong corporate culture that has been applied well and that employees are satisfied.

Strong presence at the countryside, through branch offices, where being local is a main and key word and doing things differently can be seen as a source of diversification and competitive advantage in a highly competitive market. In this way, SHB is making themselves seen and noticed by customers and making profit.

SHB relies on long-term relationships and provides good service to their customers and are present in occasions and places even where other banks are leaving. Providing service to customers, with long-term perspective and being local, means better relationships with customers and reliance to SHB as a bank, resulting in higher revenues and higher customer satisfaction.
6.1.3 Research question 3: Is there a relationship between leadership and corporate culture in SHB?

SHB’s corporate culture seems to decide who becomes manager because SHB recruits internally. Managers are raised within company and they advance from smaller offices, judging by the number of employees, to bigger ones. In that way corporate culture, because adherence of the managers to corporate values is important, has a direct influence on leadership.

On the other hand, managers motivate and empower their subordinates that is totally in line with recruiting the future managers from within the company. In that way future managers have possibility to develop and achieve both own and corporate goals. They are given responsibility to deal with different tasks, adding to their knowledge and experience.

The importance of corporate values is of utter importance here, because values stand as basis for further development. Regardless of position or rang, everybody has to adhere to same corporate values and leaders by applying different types of leadership impact the corporate culture that serves as a good fundament for employees to be within, and to develop to become future managers within SHB.

So, through employee motivation and empowerment leaders influence the corporate culture that employees are within and the same corporate culture serves as basis for getting new managers through internal recruitment. By adopting transformational leadership styles and its subtypes democratic, empowering and participative leaders motivate the employees and guided missile type of corporate culture serves as basis for developing new leaders through internal recruitment within bank.

6.2 Implications of our study

Theoretical contribution: We have made a theoretical contribution toward connecting concepts of leadership and corporate culture and found a relationship between them. In this way, we connect the concepts together, presenting the occurrence of transformational leadership style and its subgroups such as empowering, democratic and participative and Guided Missile corporate culture type within SHB where motivating and empowering employees are the keywords. Besides abovementioned we discovered that future managers within SHB are recruited internally in that way we could conclude that leadership affects corporate culture by motivating and empowering employees and that corporate culture also
affect the development of future leaders, giving us the evidence for the relationship between them.

**Managerial contribution:** We have discovered areas where there could be possible improvements such as procedures and communications between different departments in order to have better knowledge about each other’s tasks, but judging from highly efficient and productive corporate culture and the organizational performance that stems from it, nothing should be changed, except giving better explanations about undertakings of different departments, especially head offices and countryside offices. Procedures could be improved through better co-ordination between headquarters and local offices so that both are better informed about what other offices are doing.

**Societal contribution:** This study helps in expending the knowledge of relationship between leadership and corporate culture. It can be a source of or an example for future and existing companies on how to develop their structure in order to be efficient judging from the case of SHB. By having such as strong bank with good international reputation that has established its operations even in other countries like Holland and Great Britain, and emphasizing the notion of being local and establishing long-term relationships suggests win-win possibilities financially. SHB is opening offices, even in distant places on country side and remaining there when other banks are leaving and concentrating their operations to major cities. Being able to keep such services is probably indispensable to many customers and they probably want it to remain in that way. All of that suggest good application of leadership decisions and firm corporate culture to anchor those decisions on, giving an example on structure of how a company could be run.

We hope that our study about SHB, its leadership and its corporate culture will inspire other students to make similar studies in the future.

**6.3 Critical reflection**

We realize that we could have put direct questions about possible rewards and punishments to better assess if there is an existence of transactional leadership within SHB as well as laissez faire leadership. Those topics can be difficult to assert so we had to rely on the answers that we got by posing the questions presented. However to get both perspectives and to grasp the subject in a better manner we made questions that were adapted to suit both managers and employees while not to derail from the study’s aim and objective. By using an inductive approach we hope that we could resemble the reality as it really is within SHB, and by interpretativistic reasoning to present the findings and analyze them and be able to reach to conclusions and complete the aim of the study. We get as comprehensive picture as possible
but we realize that questions could have been even better chosen and calibrated to cover and specialize on discussed topics. Like this we have to rely on the interviews that we got with the set of questions presented in Appendices. That does not undermine the answers we got but teaches us that there could be alternative ways to even get richer descriptions and data, like, asking direct questions about rewards and punishments, something that could however be sensitive issues to discuss.

**Suggestions for future research:** We suggest a study where the possible existence of transactional and laissez faire leadership could be proven within a financial organization as well as studies on other types of corporate culture and conducting similar studies within financial organizations to make comparisons between the organizations.
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**Appendices**

**Appendix 1: Background about Handelsbanken:**

Handelsbanken’s annual report (2016) shows that Handelsbanken is a full-service bank for both private and corporate clients and has a national branch network in Sweden, the United Kingdom, Denmark, Finland, Norway and the Netherlands, which are their main markets. In 2016 Handlesbanken had 11,759 employees, working in more than 20 countries, over 40 per cent of whom worked outside Sweden.

*Handelsbanken annual report (2016)*

*This figure shows Handelsbanken’s corporate performance and achievements.*
Handelsbanken is a full-service bank with a decentralized way of working, a strong local presence because of country branch networks and a long-term approach to customer relationships. The Bank is growing internationally by establishing its business model in selected markets. Handelsbanken’s goal is to provide long-term shareholders with high growth in value, expressed in increasing earnings per share over a business cycle. The main objective is to achieve by increasing customer satisfaction and reducing costs from that competition. High profitability is crucial, not only because it attracts shareholders to invest in the bank, but also because it creates the conditions for growth, high rating, low financiering costs, and the bank’s ability to lend. The Banks’s profitability also affects its ability to manage risk and achieve effective capital management.

Customers are satisfied in all Handelsbanken’s home markets

Each year, the Swedish Quality Index conducts independent customer satisfaction surveys. Surveys this year show that Handelsbanken has more customer satisfaction than private and corporate banking than the average banking sector in all six major bank markets. Therefore, the Bank remains strong in terms of customer satisfaction. In Sweden, Handelsbanken was the most satisfied customer for 28 years according to the Swedish Quality Index.

<table>
<thead>
<tr>
<th>Consolidated income statement</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>27,943</td>
<td>27,740</td>
<td>27,444</td>
</tr>
<tr>
<td>Net fee and commission income</td>
<td>9,156</td>
<td>9,300</td>
<td>8,566</td>
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<tr>
<td>Net gains/losses on financial transactions</td>
<td>3,066</td>
<td>2,690</td>
<td>1,777</td>
</tr>
<tr>
<td>Risk result – Insurance</td>
<td>142</td>
<td>160</td>
<td>166</td>
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<tr>
<td>Other dividend income</td>
<td>228</td>
<td>281</td>
<td>251</td>
</tr>
<tr>
<td>Share of profit of associates</td>
<td>25</td>
<td>17</td>
<td>18</td>
</tr>
<tr>
<td>Other income</td>
<td>203</td>
<td>213</td>
<td>303</td>
</tr>
<tr>
<td>Total income</td>
<td>40,763</td>
<td>40,336</td>
<td>38,314</td>
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<tr>
<td>Staff costs</td>
<td>-12,542</td>
<td>-12,581</td>
<td>-11,766</td>
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<tr>
<td>Other expenses</td>
<td>-5,401</td>
<td>-5,208</td>
<td>-5,099</td>
</tr>
<tr>
<td>Depreciation, amortisation and impairment of property, equipment and intangible assets</td>
<td>-495</td>
<td>-487</td>
<td>-462</td>
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<tr>
<td>Total expenses</td>
<td>-18,438</td>
<td>-18,271</td>
<td>-17,327</td>
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<tr>
<td>Profit before loan losses</td>
<td>22,325</td>
<td>22,065</td>
<td>20,987</td>
</tr>
<tr>
<td>Net loan losses</td>
<td>-1,724</td>
<td>-1,597</td>
<td>-1,781</td>
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<tr>
<td>Gains/losses on disposal of property, equipment and intangible assets</td>
<td>-32</td>
<td>7</td>
<td>6</td>
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<tr>
<td>Operating profit</td>
<td>20,633</td>
<td>20,475</td>
<td>19,212</td>
</tr>
<tr>
<td>Taxes</td>
<td>-4,401</td>
<td>-4,277</td>
<td>-4,069</td>
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<tr>
<td>Profit for the year from continuing operations</td>
<td>16,232</td>
<td>16,198</td>
<td>15,143</td>
</tr>
<tr>
<td>Profit for the year pertaining to discontinued operations, after tax</td>
<td>13</td>
<td>145</td>
<td>41</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>16,245</td>
<td>16,343</td>
<td>15,184</td>
</tr>
</tbody>
</table>

Handelsbanken annual report (2016)

This statement shows Handelsbankens income statement, for three years. It is visible that there is a surplus in operations, making profit all the years in row as presented in table. It shows also the stability of the bank by having almost equal performance each year.
According to Handelsbanken’s income statement in the past three years, Handelsbanken has increased its profits, expand its operations and enhance customer satisfaction.

**Sustainability, corporate culture, staff and the environment in Handelsbanken:**

The success of Handelsbanken’s depends on the confidence of customers, investors, the public, public authorities and employees. A condition for this confidence is that the Bank’s operations are subject to high ethical standards and responsible procedures, and that Bank staff act in a manner that supports trust. Sustainability is fully integrated into corporate culture and business practices and encompasses all operations of the Group in all markets in which the bank operates. Along-terms approach is an important part of the corporate culture of Handelsbanken and is well integrated into Handelsbanken’s investment philosophy. Handelsbanken's strong corporate culture and values are vital to the Bank's success.

**Appendix 2: Interview questions:**

*To managers:*

1. How would you describe your leadership?
2. Does your leadership correspond to that of other managers in the bank?
3. Is there a typical SHB leadership? How would you describe it?
4. What do you think about your employees’ traits and characteristics?
5. Does the leadership vary according to gender in SHB? Is there a typical male or female leadership?
6. Do you think that leadership varies along functions?
7. Do you rely on “old wisdom” or think about possibilities and threats in the current environment?
8. How do you keep your employees motivated?
9. What kind of thoughts did you have about bank when you entered on your position?
10. What are the premises for socializing in the bank if there are any?
11. Do you think that there is any inner-outer group thinking in Handelsbanken?
12. How would you describe Handelsbanken?
13. What do you think about future in bank? In what direction is the bank heading?
**To employees:**

1. How would you describe your manager’s leadership?

2. How would you describe yourself as an employee?

3. Does your manager’s leadership correspond to the leadership of other managers in the bank?

4. Is there a typical male or female leadership in SHB?

5. Is there a group identity among employees in SHB? Do different groups exist and how do they differ? Do you know what the groups think about each other?

6. Is there any difference among males and females among employees in terms of conduct and thinking?

7. Does the leadership differ along functions/departments?

8. Do the managers rely “on old wisdom” or are they implementing new thinking?

9. Do you feel empowered and motivated?

10. What kind of thoughts did you have about bank when you entered on your position?

11. What are the premises for socializing in the bank if there are any?

12. Do you think that there is any inner-outer group thinking in Handelsbanken?

13. How would you describe Handelsbanken?

14. What do you think about future in bank? In what direction is the bank heading?

**Appendix 3: Interview questions in Swedish:**

*Till chefer:

Hur skulle Du vilja beskriva ditt ledarskap?

Tycker Du att ditt ledarskaps liknar de andra ledarnas ledarskap inom banken?

Finns det ett typiskt Handelsbankens ledarskap? Hur skulle Du vilja beskriva den?

Vilka är dina anställdas/medarbetarnas karaktäristiska drag?
Finns det någon skillnad vad gäller ledarskap enligt genustillhörighet? Finns det något typiskt manligt eller kvinnligt ledarskap?

Anser Du att ledarskap kan variera enligt rang och funktion?

Anser Du att det är bättre att förlita sig på ”gamla beprövade sätt” eller tänker Du på möjligheter/hot i den rådande miljön?

Hur håller du dina anställda motiverade?

Vilka tankar hade du när du tillträdde din position (t.ex. vad gäller banken)?
Finns det några premisser vad gäller umgänge/socialisering inom banken?
Finns det någon inom/utomgruppstänkande inom SHB?
Hur skulle du vilja beskriva SHB?
Vad tycker du om framtiden inom banken? I vilken riktning går SHB?

Till medarbetare/anställda:

Hur skulle Du vilja beskriva din chefs ledarskap?

Hur skulle du vilja beskriva dig själv som medarbetare?

Anser du att din chefs ledarskap motsvarar de andra chefernas ledarskap?

Finns det något typiskt manligt eller kvinnligt ledarskap i SHB?

Finns det någon särskild gruppidentitet bland de anställda inom SHB? Existerar olika grupper och påminner de om varandra eller skiljer sig åt? Vet du vad de olika grupperna anser om varandra?

Är det någon skillnad mellan kvinnliga och manliga medarbetare vad gäller uppträdande och tänkande?

Anser du att ledarskap kan variera enligt rang eller funktion?

Anser du att cheferna förlitar sig mer på gamla beprövade sätt eller inför de nytt tänkande?

Känner du att du besitter makt över din situation och är du motiverad?

Vilka tankar hade du om banken t.ex. när du tillträdde din position?
Finns det några premisser vad gäller umgänge/socialisering inom banken?
Finns det någon inom/utomgruppstänkande inom SHB?
Hur skulle du vilja beskriva SHB?
Vad tycker du om framtiden inom banken? I vilken riktning går SHB?

Appendix 4: Interviews:
According to X1 (interview 2017-11-30) his department is small, consisting only of two persons. They handle same issues and to manage one employee is not a leadership. But X1 thinks that as manager it is important to be direct and to handle details. It should be structured leadership in a direct way.

X1 argues that his leadership style corresponds to that of others in SHB. We are mauled in the same shape he says. We often have same thinking and same background. Like many of us have studied business administration and law. But at the same time the managers also need input with different views but otherwise think the same.

X1 points out about organizational structure and describes SHB instead of answering about typical SHB leadership style but at the same time reaffirms that the answer to that question has been given in previous statements.

X1 suggests that he has only one employee and that she has the same education and is a lawyer. She has also been working in the court and he has been working as a judge.

Leadership style varies according to the gender, X1 points out, where male leadership is more direct and female leadership is more soft and human, but that is in general. Female leadership emphasizes more discussion and women tend to have reason behind their decisions but it varies between different persons.

Leadership styles do not vary along functions and departments according to X1

X1 relies on his education, with decisions made previously in different courts as guidelines for his work. To understand Swedish law, you sometimes should go back to old cases and the laws from 1940’s can still apply today. EU-legislation requires from us to make decisions at high speed and that the same rules apply everywhere. Politicians are making decisions that apply to everyone and we have two years to implement the law. But every country has veto on some issues. Otherwise member states could be punished but that has not been done yet.

X1 tries to understand how his employee performs. If she does it fast or not, legal answers she is giving and they try to discuss. X1 encourages her and tries to be direct. She many times has
time limits and X1 listens to branch offices about her performance and ability to give positive responses.

X1 has been working in bank for thirty-one years and he likes being a lawyer and at the branch office he has been working for ten years now. He tries to monitor company law, security, and administration of financial affairs through legal lance.

There are some company festivities that are organized twice a year, before summer holidays and during Christmas. Otherwise persons mingle according to their interests. It does not matter if they go for example to training or bikeriding together.

We (SHB) have more decentralized thinking than other banks that are more hierarchical. Our branch officers are leading the bank. We try to do it in other way according to X1, and SHB tries to make the difference and keep their customers satisfied.

SHB is one of the world’s strongest banks, according to X1. It has good finances, one of the strongest in the banking world, and their ambition is to earn more money and have satisfied customers than other banks in Nordic countries. SHB has achieved that to above an average extent.

X1 thinks that the future is great. No joke about it, as he says, the future is hard to predict and we should work hard and keep our customers satisfied. We are growing, in U.K., we have 200 branch offices and they are becoming more and more.

According to X2 (interview 2017-11-30), her manager’s leadership style is traditional, bit old-fashioned, hierarchical and he is a very nice person and helpful. X2 argues that she is not that hierarchical as employee and that she works well together with her manager. She has been working for a year and a half within SHB and her earlier job was within governmental department where there was much less hierarchical type of leadership but the rules were stricter to follow. In SHB it is more flexible.

X2 points out that all the leaders have similar leadership style and that it is a way of having an organization and that everybody follows it. Concerning typically male and female leadership styles X2 argues that she does not think that there is a lot of difference between males and females and that she has not noticed any difference. Handelsbanken has other type of organizing, much more local then most of the other banks in Sweden. Decisions are local and her task as regional officer is to help local offices with advice but not to decide over what they are going to do. It is about giving support but the decisions are made locally.
According to X2 there could be a lot of group building because different people have different responsibilities but they talk to each other on similar things. Because they have a lot to do, each task is done by specialists for that task and each group has its own function.

There is not that much difference between males and females in terms of conduct and thinking, but the males are noisier, pushy but not always in a bad way. They talk more, where females are quieter. But that is to some extension, not always.

Leadership styles differ a little bit along functions and departments, but not much. Personality can differ, but the managers still have the same mission because of their role. Some bosses are softer. Different persons differ, it is only human.

Some of the managers want more new thinking, but most are old-fashioned. And this is the way they have always done it, according to X2, so it has to be like that it seems. Maybe, more new thinking will come, but it is not that easy to shift.

X2 mostly feels empowered and motivated. She has a good and helpful boss, works with interesting tasks and assignments and has nice colleagues. She gets good feedback from the people she tries to help and local bank offices. X2 was curious about bank when she entered on her position. She thought that she is going to have a good job and nice colleagues. She was a bit nervous because she was previously working within government and the new job at the bank was outside of the public sector where she had been working for the last twenty years. But overall it was a positive feeling.

Concerning socializing, in the afternoon, they drink coffee for 20 minutes and talk about anything and things can get a bit crazy sometimes. But they mingle with people on 2nd and 3rd floor so it does not involve the whole bank office. They have Christmas parties once a year where there can be 50-60 people. It is quite common for Sweden about parties before Christmas. There are also physical activities that are organized like twice a year with the duration of one-two months where people walk and run together.

There is some group thinking according to X2, for example during lunch, where some people seem to feel more comfortable to be with some people.

SHB is as a bank very serious and it is very important to follow the rules and behave correctly and you should not take any chances and should be kind to customers. One should not risk something. We are supposed to give good advice and we never speculate and try to do what is correct.
All the banks are heading toward changes and there is much more technology involved. There is probably going to be plenty of work for specialists for example in technology and lawyers and people in other areas, but they must be specialized to hang around in competition. And the competition is big, and can become even worse further.

According to X3 (telephone interview 2017-12-04) her manager is driven, committed, goal-oriented and has demands in a developing way. And the manager mixes and applies different leadership styles. X3 thinks that she is also driven, committed and loyal as an employee. It is difficult for her to answer if her manager’s leadership style corresponds to that of other managers because she has had only 2-3 bosses but those bosses have had different leadership styles everything from governing to being focused on a social part. X3 argues that it probably depends on the person. X3 suggests further that she does not think that there is a typical male or female leadership style. X3 argues that there is a strong corporate culture and that everybody forms one group. There is a family feeling about the bank, but there are no vivid groups in the bank according to her. Women tend to be more careful, in general and men are more assertive X3 continues.

Leadership style can vary according to rank and function, but she has not experience it herself because she has been working at (one) the office. The managers rely both on old wisdom and are implementing new thinking. New thinking is needed because both the customers and the market demand it. But the financial sector is more traditional in general. X3 feels that she is both empowered and motivated.

X3 when she entered her position was thinking that SHB is an interesting employer and that the values are important both within the bank and to her personally. She thought that it is going to be a pleasurable experience and she will enjoy and be able to develop and to be able to steer over her own development. There is no in/out group thinking at the office but it is possible that central departments think in a certain way about us in the offices and they do not really know what and how we do and work at the offices, X3 argues. She continues about describing SHB as having strong corporate culture, loyal co-workers, the importance of “the local factor” and that SHB is devoted to customers and service-minded.

Thinking about the future, X3 suggests, that the banking sector is changing rapidly but that the SHB go the other way where important things are values and to do things differently. SHB has a certain way of looking at the traditional and to take into the account what the customers expect from them. Many things are changing in banking sector like services, products,
technology and the niche-banks are challenging the market but the SHB has its own way of doing things.

X4 (telephone interview 2017-12-04) argues that coaching is her type of leadership style. She gives her employees clear expectations about what they are supposed to manage in their work and she helps them with the objectives. X4 thinks that her leadership style corresponds to that of other managers in the bank and that there are only small things that differ. Most of the managers like to coach and develop other employees. That is the most common approach.

X4 does not think that there is a typical leadership style in the bank, but that the culture is important and that mentorship is very common in work life generally speaking.

X4 suggests that traits and characteristics of employees should be judged individually. The employees have had different prerequisites, journeys within the bank and they have different personalities. They can vary according to age, gender, and the conditions they come from. X4 points out that she does not think that leadership styles vary according to gender in SHB but that according to older type of leadership style it was more of being a boss, implying that men were mostly the leaders and it was more hierarchical. But that nowadays the leadership is quite the same. We, as men and women, treat individuals in a little bit different way but the differences are very small.

X4 argues that she has had different leadership roles. And that the leadership style varies but according to person and their personality. It is important to give positive feedback and it is not the role that is important but the person and personality. X4 points out that she has gathered experience through different leadership roles. It is important not to get stuck in something old and that the situation is important according to the mission one has. It is important to weave together the current now with the experience from before, X4 argues.

X4 suggests that by reinforcing and support and monitoring the employees and giving feedback she tries to keep employees motivated. The sense of zeal from employees’ side is also important. Their daily lives and plans. And to acknowledge in a good way even when employees step out of their comfort zone. X4 points out that she was thinking that SHB was a good and stable bank when she entered on her position. And that it was a good company and nicely-run. She was interested in working in the financial sector.

X4 suggests that they organize fika (Swedish coffee break), after works, for example on some Fridays. They have evenings when they meet and busy themselves with some knitting. They
go out and talk sometimes after working hours and mingle. That will say they have different activities. About in/out-group thinking, X4 argues that there is a possibility of such thinking to be there but that is not that obvious. There are some small differences between some groups, but the employees enjoy being a part of the same culture and the employment periods are very long.

Every CEO writes a communiqué when he/she enters on his/her position. X4 argues that SHB has decentralized organization and they do not have a budget but certain goals that they have to accomplish. They do not have expressed and direct selling goals that they have to achieve and there are no “selling competitions” but they work from the customer perspective.

X4 describes SHB as stable bank, with good balance sheet. One of the strongest banks, with a decentralized way of working. The employees have high mandate to take decisions. Every individual has great rights. And it is important with long-term relationships with customers and the same implies to employees.

X4 thinks that SHB has a bright future and that it stands on stable feet. There are about 400 local offices, the number the competitors lack. SHB is like a local bank in the country where meeting customers in person is important. Even with the entrance of the digital banking, they stand well prepared in front of the future that is coming.

According to X5 (2017-12-04) she has a strong belief in her employees. X5 has full confidence and thinks that all her employees are very competent and self-going. X5 says that she does not have to push them to do their work and that the employees are free to discuss when they need to.

Considering if her leadership style corresponds to that of other managers in the bank, X5 argues that she does not think so because they certainly have similarities but that the leadership style depends a lot on personality. But, that the managers take every opinion in the account, they listen to their employees and then take the final decision. Everyone has one vote but the boss has stand-out vote and X5 believes in democracy. She is very calm and not stressed, and in that way she does not stress the employees either. The more stressful it gets the calmer she gets. X5 is not afraid to take the decisions even if she always does not have all the facts.

There are different kinds of leadership styles in bank. Some of the managers are more social and some less. But all of them listen to their employees and all are very business orientated. Some of the managers are more analytical and some more social.
X5 thinks that her employees are very competent in their field and push themselves forward. X5 sees them as her co-leaders rather than employees. Employees love their work and they push themselves to do the work.

X5 argues, that she does not think that leadership styles vary according to gender and that it is more the personality than gender that counts.

If leadership style varies along functions, X5 Points out, that it depends where you are a manager and your personality. But all the focus is about business to get profit, considering leadership styles everyone does much the same. Managers are all together doing things in the same way.

Every one of managers in country offices have a broad field of knowledge and the leadership style depends on personality and all of them are business oriented. Referring to legal office and head of it, X5 suggests, that the office wants to minimize the loss while other managers are focused on gaining profit and being focused on business. Some of the people are more specialized but that is more in HQ offices. X5 argues, that SHB has a strong corporate culture and that is “Our way” as they call it in SHB (X5 wanted probably to give us a brochure that is called “Our way” but she could not find it) …SHB has branches in England even but HQ for the whole world is in Stockholm.

There are 5 Handelsbanken´s regions in Sweden. They do not have and IT department in their regional offices except for smaller adjustments but they consult Stockholm if they need to because there are specialists.

Concerning relying on old wisdom when doing business and thinking about possibilities and threats in the current environment, X5 argues, that she uses both. X5 has been head of finance in different organizations before coming to SHB, and points out that the bank is in changing period, because of the digitalization.

X5 keeps her employees motivated through positive reinforcement. X5 suggests that she is a big hug, warm person, interested in everyday life of her employees. She always asks them about their lives. Most of her employees always liked her no matter the job. In her work if the employees do something good then she should tell them and motivate them. You have to see (consider) your employers to keep them motivated.

X5 became branch manager and her thoughts were of as driving her own company but under the umbrella of SHB. X5 came to this position in 2014 and then she took it, as it were her own business to take care about. The new thing was to enter on position of being a manager in regional office.
Considering socializing, X5 points out, that every floor has an area for drinking coffee. They can invite anyone, and they take coffee together and sit together and all are included. We have less hierarchy in some aspects, her regional managers go also out for lunch with another staff. They take 3 o’clock coffee and everybody joins. SHB pays for training like gym for example or other activities up to 3000 kr per year. It is for everyone in SHB no matter where you work in Sweden. And SHB pays for aid like glasses and other things like if you hear bad SHB pays the equipment.

In terms of in/out group thinking, X5 argues, you can get a group feeling, where the closest co-workers are within that group and they could be more friends than the others so to say but they all still work together, and X5 does not think that they have that kind of groups (in/out groups). It is them against the other banks speaking about in/out groups in a broader sense so to say.

X5 argues that SHB is a unique bank about doing things, they have no budget. If you have read “Our way” there is no budget, we delegate all the responsibility for the business to branch managers and they are doing their business. SHB has a short decision way and a very flat organization. They have 75 offices in their regions and while other banks are closing SHB remains with its local presence. And SHB customers can call directly and ask about services. We are very profitable, X5 points out. And SHB knows its customers locally, being close to them.

They are both digital and local and they are making money. SHB is represented in all big cities but in countryside also. SHB has low credit losses. It's a local bank and that makes their bank a success.

Concerning future of the bank, X5 points out, that SHB is in a big change especially in Sweden. Customers are using much more technology. Much of technique is by phone or internet. There are some offices that do not use cash at all. The future is about efficiency with using digital technique and maybe that will lead to less employees but not yet. The competition from smaller firms using internet is getting bigger. The competition by using the internet is getting bigger and bigger and SHB is going to follow it. Handelsbanken is still going to be local but it is going to be more advisory but SHB still strongly believes in the importance of being local.

X6 (interview 2017-12-04) argues that his manager’s leadership style is according to the situation. She takes action when it is needed and he thinks that that is a modern kind of leadership and that she is not full action all the time type of manager. It reminds of adaptive
leadership where she can draw back when it is calm in the office. X6 describes himself as quite ambitious and curious at work employee.

Concerning if his manager’s leadership style corresponds to that of other managers in the bank, X6 argues, that it does. Before he came to economy office he was working in other places, and almost all the managers come from the branch offices, that is why they probably have the same leadership style. The time at the branch offices probably has formed the managers’ way of acting.

X6 does not think that there is a difference between genders but that the person himself or herself can be different. Earlier he had a male manager, but there is no difference between the genders.

X6 suggest that he thinks that it does not matter where you worked before but in Handelsbanken they work with customer. And it can be a group thinking concerning small things or in part, which does not affect the work as well as that they remain as a group. They are a group, tight group, and it does not matter where you work in HB, the branches or that you work internally but that it is different in branches where they work with customers, they have very stressful days sometimes. While some suggest that they that work internally (in internal offices like regional offices) do not meet the customer. X6 argues that it does not matter where you work they all work for customer. People from branch offices could feel that they in the regional offices only do the paper work. There could be the group difference but everybody makes and does a function in SHB.

We do not know either what persons do in offices in Stockholm for example. That could be a source of not a conflict but different feeling. X6 argues that males and females possibly could think differently, and you can't point what the differences are, but that they have the right to think differently and that does not affect Handelsbanken in negative way but in positive.

X6 cannot point at what a difference is, but it is important that they (males and females in SHB) think differently because SHB can move forward with those different thoughts. It is more personality thing, if there is a difference between male and female in terms of conduct and thinking and it is not according to gender. That could be important to know for all the organizations not only SHB.

X6 points out, that leadership styles do not differ that much between functions and departments. In the branches, it's quite similar, and Handelsbanken leaders behave in a similar way. We are customer oriented bank, and almost everyone has some time worked in the branch. The branch in some way formed the leadership style of the internal managers today…SHB recruits internally…X6 continues, that if you look at other organizations those
organizations have more recruited persons from other companies. You climb within SHB, you get to bigger branch or to some bigger office.

Concerning if the managers rely on old wisdom or are implementing new thinking, X6 argues, that the managers maybe are not taking influence from outside of bank, but there is more new thinking than relying on old wisdom. It happens much you must stay alert. We rely on wisdom and leaders also rely on their experiences, X6 suggests. Managers are taking input from market to become batter and move their positions forward.

X6 points out, in connection to being empowered and motivated that he feels that he is. He has been working in the bank for 7 years and the challenges are many, but that he enjoys to work in Handelsbanken, because he likes to take decisions every day, and he has to become better at it each day. If there are problems, he thinks they can solve it. Now he feels more motivated than when he begun to work in the bank.

About thoughts X6 had about SHB when X6 entered on his position, X6 argues that X6 was like a blank paper. The plan was to start at audit firm and X6 did not know much about Handelsbanken when he started. If you have the opportunity to work in Handelsbanken that was a wise and good decision X6 took and it means then you can work everywhere. You can work in the branch offices or internally. You can work abroad; you can work in U.K. and maybe N.Y. And that was something new for him and he did not have too many facts about Handelsbanken. The decision would have been made very easy today he would say yes directly to work in SHB.

There are no rules to do something or to say something, X6 thinks there is freedom to choose how to socialize with others. It is very easy to say what you want to say. It does not matter if it is in the group or to managers. You always have some rules also, but you just say your opinion.

There could be different opinion about different things but that does not affect in negative way in Handelsbanken. They have all different departments; in staff offices, they have different opinions about things and that thinking is like in every organization. It is not positive and not negative it is like a neutral way.

X6 describes SHB as having a decentralized organization; all of them working for Handelsbanken have an important function because all of them are working for branch and the customers. And it is the core of the business to have satisfied customers and to make customer be satisfied. About the future in the bank, X6 argues that there are lot of challenges, the market is in big changes, with internet and fewer visitors to branch offices they have a lot of challenges and they work differently compared to other banks…They see the function and
need to have a lot of branches in Sweden and they do not close the local branches. They still see the need for customers and keeping their offices opened instead of closing any. That is a key to success.

The market could see that as costly way of working but they need to work close to customer. The customer appreciates that. It costs maybe much but is good and the key to success. It is not about having offices in Stockholm and having a customer in Luleå (high north in Sweden) and it will pay off maybe not tomorrow but in 10-15 years. There are differences on how to do business in different places, X6 concludes.

According to X7 (telephone interview 2017-12-04) her leadership style is delegating where it is important to trust to her co-workers. She wants them to work like a team. X7 argues that her leadership style corresponds to that of other managers in the bank where trust and fate in employees are important. X7 points out that SHB has decentralized organization, where co-workers have to take responsibility and that is difficult to be authoritative because it is not a part of their culture. She demands from co-workers to take responsibility. Employees should like to take own decisions, establish long-term relations and have order. And be at high service-level.

X7 does not know and does not think that there is typical male or female leadership style in SHB. Maybe, if you look in society in general, but not in SHB, she argues. However, she thinks, that women have maybe more soft values. Women have bigger demands on themselves, but it is not typical for SHB. X7 suggests that she does not know if leadership styles vary along functions. She has worked at branches and does not know why it should vary.

About an application of old wisdom in doing business and taking advantage of possibilities and threats in the environment, X7 answers that one should have his/her experience with him/her and that one has to “hang on”. There is probably mixture of both, she points out that it is very important to see (consider) everyone and to make demands, give feedback, try to make them feel that they are an important part in this branch. Being available is also important. X7 knew quite a lot about the bank when she entered onto her position. She has been with the bank for 12 years before becoming a branch manager. She saw a possibility to develop her employees in her way.

Therese argues that they have common activities, after-work once in a month and that it is important to meet outside work also. SHB has also Christmas get-together parties.
It is difficult for her to answer if there is any in/out-group thinking. She thinks that they have to decide what they want to achieve. It could be, but to work together is important. X7 would describe SHB as a universal bank, with fate in and respect for customer and employees, are important. The customer should always be at the center. It is the decentralized organization that characterizes how to do business. Branches usually know the customer and the customers’ needs are always in the center. Even before volume and sales. CEO is very clear where bank is heading, according to X7, where both digital and local features are important. SHB have their own unique way and X7 argues that SHB will keep (the local) branches as they see branches as asset not cost.

According to X8 (telephone interview 2017-12-04) her manager communicates with employees and takes a good deal in their daily work. The manager talks more about what employees do well than what they don’t do good. X8 describes herself after have been working within the bank for 40 years as having a good knowledge A person who knows much and works hard and is social.

Considering different managers and if their leadership style resembles each other, X8 argues that she has had quite a lot of managers during years. Some good and some bad but that her current manager does take care of staff while some other were not that good at the same. X8 suggests regarding male and female leadership within the bank that there probably could be a typical male and female leadership style but that it depends more on a person than being a man or a woman.

Yes, there is a group identity among employees and that is being proud of being employee at SHB. Most have been in the bank for a long time and we consider ourselves like some of kind of church but this is said with a smile. There is difference between departments where we get a helping hand from Stockholm but that the departments in Stockholm contact them if they want to know how it works in real world out in the country.

There is a difference between men and women in conduct and thinking, X8 points out, by seeing things from different perspectives and having different skills but together men and women make a great work together. X8 suggests that all persons are individuals and if the leadership styles differ along functions and departments it has to do with a person. But that everyone does what they think is best.

Managers are implementing new thinking, but have to rely on old wisdom also according to X8. Technology is important but to take old wisdom into account is as well. After 40 years in
the bank X8 still feels empowered and motivated. Little less nowadays than she used to be but it has to do with herself, she points out. Now she is almost 60 years old and she is not that motivated and empowered like she used to be because of the age. But she argues that younger people would say something else.

X8 tells us about how she searched for a job in another bank and applied for the job in SHB and got it. Being 20 years old she does not know if she thought anything about the bank. She kind of slipped in. People socialize in different ways in SHB, X8 points out, they work together, ask each other for help…consult each other…They socialize every day.

X8 argues that she has not identified any in/out-group thinking in SHB.

X8 describes SHB as being a large bank, with hundreds of possibilities for employees and that it depends on yourself how far you will go. There are a lot of departments both in Sweden and all round the world. SHB is a good employer, taking care of people. X8 argues that she is the proof that SHB is a good employer.

Making customers to do more by mobile solutions makes younger people to choose not to go to the bank. It is hard to say about the future, according to X8, SHB is keeping its way of having many branches and she argues that there is a possibility of closing some small branches in the future.

According to X9 (interview 2017-12-04) his leadership style is about meeting people with respect and he trusts all the people around him. The staff wants to do their best each day and his job is to keep his fingers away from interfering in the job. And that's how they do it in Handelsbanken’s culture and it is according to their culture to show trust and respect to the people in the bank, employees as well as customers.

His leadership style corresponds to that of other managers because they have the same tasks, and they all stand on the same ground and culture but they are different people as well, X9 argues. X9 suggests that they work with these issues every day and every week around the year to put a lot of energy in developing their leaders within Handelsbanken. They work with their environment and a lot of issues about that and they follow special strategies. They all have the same culture and most of the leaders have worked for many years in Handelsbanken, X9 claims.

X9 points out that the typical leadership style within SHB is to treat people with trust and respect and making decisions should be done in long term perspective and he also thinks that most of leaders do the same thing as they do. They show customers respect and they want to have loyal and satisfied customers and that is why they have long term perspective in every
decision they make. X9 also thinks that managers in Handelsbanken like people. They are also good at structuring information in a certain way and make decisions based on facts. They are quite good to organize things and to keep them in order.

When they hire people to Handelsbanken they try to find people who can be managers in the future. Their business model depends on that because they have many branches and they need a lot of managers. It is important for them to bring people who want to become managers and who like their (SHB) values. About future managers, X9 argues that, they have to feel when they make their own decisions. They need people who need to think and take their own decisions. They want people who contribute to their working environment. And that develop both their bank and themselves. Like SHB managers, they want them to be proud about Handelsbanken. When they go out they should say that they are proud about Handelsbanken because SHB does things in a different way from its’ competitors, X9 suggests.

There is no typical male or female leadership style in SHB according to X9. It could have been before, X9 claims, and they have worked on these issues many years. It is different between old and young managers maybe, X9 argues. But they still have in their regional banks in their sector, a managerial division of 60% male and 40% female managers and it should be other way around this.

Concerning if the managerial styles vary along functions, X9 suggests that it depends what you do. Probably the managers have the same values and the same culture. And leadership style can depend on what situation special branch is in special time. “If you have new employees they need more coaching. If you have like me in my office, very experienced employees, then you need less effort. This department drives by itself. If this department was not so experienced then I should be another type of leader then”.

“If we say that we don't have to look out in real world it is like turning the bank down”, X9 suggests. They also have to adjust to the environment around them.” We must be good to the customers and we should be good at meeting people in our branches. We must keep up with what is going on out there”, according to X9.

About keeping the employees motivated, X9 suggests, that if you don't interfere with their job, then the employees are motivated. If you stand firmly with SHB culture and trust and let them find their way and to make decisions, then they are more motivated. And if the employees need support then X9 supports them but he does not interfere them. They can reach the same goal in different ways and they let everyone do it in their way. And give the people the possibility and they could become leaders as well.
X9 does not remember thoughts he had when he entered on his position because that was many years ago.

About the premises for socializing within the bank, X9 points out that he supposes when you talk to people here in this house, they socialize with each other and they know each other very well. They have lunch together and they sit together and walk out together and everything they think of, they do. Considering if there are any inner-outer group thinking within SHB, X9 argues that,

The branches sometimes compete but they help each other when they need to do so. So, they are good colleagues in SHB. X9 has described Handelsbanken so many times in so many ways, and it depends what group he meets. If he meets people working at the bank and some other groups he talks about their philosophy. Concerning Handelsbanken, if you want bank that you can rely on, then you should be our customer because we want you to be satisfied and feel loyal, X9 suggests. That is the long-term perspective in each decision.

If you see banking industry in Sweden, branches closing down and customers doing services by phone or on websites or whatever it could be, that could be a part of the future. But they in SHB think that their customers from time to time want to speak to SHB employees. It could be that mobile phone does not work and they need help about that. And SHB tries to keep their offices opened even in the future. According to X9, they have closed very few but at the same time they have opened new branches as well.

According to X10 (interview 2017-12-04) her manager has a kind of informal way of leading, he gives a lot of responsibility to his employees and he is engaging his group. He likes to discuss with them to get the solutions within the group. He is an engaging leader.

X10 argues that she as an employee is: I think that I take a great responsibility for my work and for the project that I am responsible for, and I’m used to working in that way, and I don't want someone to tell me what to do. I know my responsibility and the content that I should do and how I do it depends on me. But they work tight together within the group and they discuss different issues and problems. And if she has any problems then she discusses them within the group.

X10 has worked in many places in Handelsbanken and for example if you sit in different groups then you can't have the same discussion during the day. They have meetings one or two times per week to discuss the topics and this is the simple way of discussion and she can have the answers right away and she does not need to wait to next week when they have a meeting again. And many of the branches in Handelsbanken work in the same way.
X10 thinks that her managers’ leadership style corresponds to the leadership styles of other managers in the bank. They have many kinds of leadership in the bank, but it depends on the person. And what kind of individual he or she is. Concerning if there is a typical male or female leadership style in SHB, X10 points out, that she does not think that there is and that it depends on the personality in individual.

About a group identity and existence of different groups and their opinions about other groups within SHB, X10 argues, that she thinks that the most Handelsbanken employees are proud of working in Handelsbanken. That because they have strong values which they talk about all the time and that makes it unique for the bank. They work hard to have the feeling that they are special and they have to be proud that they are working in Handelsbanken.

There are different groups and that depends where you work. If groups work in the branch, then they see them as a group. But X10 has worked in Stockholm and she knows that there is a group in within that group as well. Like for example, analyst, SHB has people working in IT. It differs because of the organization and the work that you are set to do. And if you work in department then you should have different skills. So, there are different groups. But in the end, they all work for Handelsbanken. About any difference among males and females in terms of conduct and thinking, X10 thinks that there is no significant difference. If it is a question of being different, we want to have different culture and diversity and it does not matter if you are male or female. We want it to be mixed, different personalities and individuals, X10 points out.

Leadership styles differ along functions and departments, according to X10. Some departments like IT department, where some of people work in projects and in that case the manager does not see his employees every day and from time to time that is challenging for the manager. It depends on the group of people working. And in some cases, they must have other kind of communications like Skype or phone and it could be a challenge too. X10 does not think it is a problem and she knows that many people try to choose their leader.

X10 hopes that the managers are implementing new thinking. Some of the leadership criteria when leaders are appointed are if they are good as leaders and if they are taking responsibility and being business oriented. And if you cannot apply new thinking then you probably will not be a leader in Handelsbanken, X10 points out.

About feeling empowered and motivated, X10 thinks that she is. She has a manager that is trusting her and she has a great responsibility.

X10 has been in the bank for more than 30 years. At that time, she did not know what Handelsbanken was. Concerning socializing in the bank, X10 argues that it depends where
you work really. Here in the house they have coffee every day and the branches they do the same thing, and some of them on countryside they have hard time socializing with other. There could be inner-outer group thinking in SHB according to X10 but Handelsbanken is strong concerning its culture and she thinks that is an inner part of being within any bank. But she thinks that they have a proud feeling of being within the bank. And it depends where you work in Handelsbanken.

X10 points out that she thinks about SHB, as a good employer where you can develop yourself and you can work with many different kind of assignments and there is no limit about what you can do. And it's about what you what to achieve and you will get the support from your managers. And then it's all up to you.

There are some challenges for the future, X10 suggests. They probably will not be the same number of employees and they know it already but they still need people working in the branches to take care of customers as customers need and want it. Some of customers still want to meet them in person. SHB has its own direction and other banks have started to cut down their branches and SHB is already different about that than others, X10 claims.

**Appendix 5: Interviews in Swedish X3-X4**


X3 känner sig både empowered och motiverad. X3 när hon tillträdde sin position tyckte att SHB är en intressant arbetsgivare och att värderingar är viktiga både för företaget och för
hennes själv. Hon tänkte att det kommer att bli trevlig erfarenhet och att hon vill trivas och utvecklas samt att kunna styra över sin egen utveckling.

Det finns ingen inom/utomgruppstänkande på kontoret men det är möjligt att de centrala departementen tycker på ett visst sätt om oss som jobbar på kontoren men de vet inte riktigt vad och hur vi gör och jobbar på kontoren, X3 anser. X3 fortsätter med att beskriva SHB som ett företag med stark organisationskultur, lojal modarbetare, vikten av den ”lokala faktorn” och att SHB tillägnar sig kunder och är serviceinriktade.

Med tanke på framtiden, X3 berättar, att banksektorn förändras snabbt men att SHB tar en annan väg där viktiga saker är värderingar och att göra saker annorlunda. SHB betraktar det traditionella på ett särskilt sätt och tar till sig vad kunderna förväntar sig av dem. Många saker håller på att förändras i banksektorn som tjänster, produkter, teknologi och nischbankerna utmanar marknaden men SHB har eget sätt att göra saker på.

X4 (telefonintervju 2017-12-04) anser att, att coacha, är hennes ledarskapsstil. Hon ger sina medarbetare klara förväntningar om vad de bör åstadkomma i deras arbete och hon hjälper dem med att åstadkomma dessa mål. X4 tycker att hennes ledarskapsstil motsvarar ledarskapsstilar hos andra chefer inom banken och att det är bara små saker som skiljer dem åt. De flesta chefer tycker om att coacha och utveckla sina medarbetare. Det är det mest vanliga tillvägagångssättet.

X4 anser inte att det finns någon typisk ledarskapsstil inom banken, men att kulturen är viktig och att mentorskap är väldigt vanligt i arbetslivet överhuvudtaget. X4 anser att de anställda och deras förutsättningar ska värderas individuellt. De anställda har haft olika förutsättningar, livsresor inom banken och de har olika personligheter. Detta kan variera enligt älder, kön, förutsättningar de kommer ifrån.

X4 anser inte att ledarskapsstilar varierar enligt kön inom SHB men enligt äldre ledarskapstil var det mer fråga om att vara ”chef”, att det var mestadels män som var ledare och att det var mer hierarkiskt. Och att nufrörtiden ledarskap är ganska lika. Vi, som kvinnor och män, behandlar individer lite olika men skillnaderna är väldigt små. X4 anser att hon har haft olika ledarskapsroller. Och att ledarskapsstil varierar men bland individer och deras personlighet. Det är viktigt att ge positiv feedback och det är inte rollen i sig själv som är viktig utan personen och dess personlighet.


Om inom/utomgruppstänkande, anser X4 att det är möjligt att sådant tänkande existerar men att det inte förekommer så tydligt. Det kan finnas vissa skillnader mellan olika grupper, men att de anställda tycker om att vara en del av samma företagskultur och att de anställda är anställda inom företaget under långa perioder. Varje VD skriver ett kommuniqué när den tillträder sin position. X4 hävdar att SHB har en decentraliserad organisation och att de inte har någon budget men vissa mål som de måste åstadkomma. De har inte några uttalade och direkta försäljningsmål som de måste åstadkomma och det förekommer inga "försäljningstävlingar" utan de jobbar utifrån kundperspektiv.