Local Management Culture Overseas:
Handelsbanken Sweden and Handelsbanken UK

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ABSTRACT

Title: Local Management Culture Overseas: Handelsbanken Sweden and Handelsbanken UK

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Aim: The aim with this study is to investigate what management practice Handelsbanken is using in Handelsbanken Sweden and Handelsbanken UK. In order to find out if Handelsbanken has adapted the same management practice in the UK, the focus has been on researching Handelsbanken’s organizational structure, decision-making and motivation, through comparing the two countries national culture with each other.

Method: A qualitative research was used for this study, which included ten interviews with branch managers from Handelsbanken Sweden and Handelsbanken UK.

Result & Conclusions: Handelsbanken has applied a standardized management approach in both UK and Sweden, highlighted by decentralization in both countries. Autonomy, trust and responsibility together with the pension fund Oktogonen were seen as central motivation factors. Furthermore the study shows that the Swedish long-term approach to business was implemented in Handelsbanken UK.

Suggestions for future research: This study focused on two of Handelsbanken’s home markets, further research could be conducted through including Handelsbanken’s other home markets, more branch managers and subordinates.

Contribution of the thesis: Although existing research discusses companies that are doing business outside their domestic market, the relevant literature concentrating on the banking industry in one bank focusing on the managerial practices is still relatively sparse. These topics are covered in this study.

Key words: Banking industry, Culture, Management, Organizational structure, Motivation
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1. Introduction

This chapter discusses the background of the study. It concentrates on the history of the banking industry in Sweden and the UK, and discusses the history of the case company Handelsbanken and its establishment in the UK. Furthermore the problem and aim of this study, the limitation and the disposition are presented in this section.

1.1 Background

There are over fifty different types of banks in existence today, ranging from central banks, which take gold or precious metals deposits, print currency and set interest rates, to investment banks, which use complex investment tools to create added value or high street banks used by everyday individuals and businesses to deposit and lend money (Isard, 2005, p.14). To remain competitive, modern economies need to establish banking systems capable of providing stable access to credit to talented entrepreneurs and responsible households. Banks today operate in a complex environment, with even the smallest of decision requiring consideration of implications for stakeholders. Stakeholders in the banking industry with a stake in the performance of the banking system can be explained in brief as, the group in control of the government, bankers, shareholders, debtors, depositors, investors, regulators and indeed the entire economy as a whole. (Calomiris and Haber, 2013, p.98-101.)

The banking industry in the UK has undergone radical changes over the past 25 years. UK banks and financial institutions are seen as a pillar of stability within Europe and globally, it is now largely accepted that UK banks and London are seen as a major financial hub globally, in both deposit banking and investment banking. London, as a financial hub, is ranked by the Global Financial Index as the 1st globally, in terms of people, business environment, market access, infrastructure and general competitiveness, ahead of such financial hubs as New York, Hong Kong and Singapore. In the UK economy there is a high GDP dependency on the banking section. (The Global Financial Centres Index 14, 2013, p.4.)

Traditionally banking in the UK followed a culture based largely on experienced professionals from relatively middle class backgrounds. Banks were conservative and traditionally did not regard themselves as simply in business for profit, but having responsibility to the wider community (Nevin and Davis, 1978, p. 198). Following the Second World War greater collaboration between
the United States and the United Kingdom occurred, resulting in the convergence of banking culture, which continued until the 1980s, in which the banking, building society and insurance sectors were segmented (Cressey and Scott, 1992, p.85).

The de-regulation in the late 1980's, caused a dramatic shift in British banking culture, as the traditional retail banking model characterized by conservatism, and a risk-averse style, which previously had an emphasis on administration and rules, transformed in a relatively short time frame. This resulted in the emergence of a new retail banking culture with focus on dynamic business development, creative values, greater market-orientation and higher profit motive awareness. (Howcroft and Ul-Haq, 2007, p.121-122.)

Today's highly competitive UK retail banking environment is the result of a large number of mergers and acquisitions, which has seen the emergence of a “big four” group of banks which are largely homogenous and dominate the UK retail and commercial banking market. Previous to the 2008 global financial crisis, these banks held over $510.3 billion US dollars in reserves, however in 2010 this figure was a $29.8 billion US dollar deficit. Such dramatic change in a short period of time has caused a large amount of churn both within the industry and amongst customers. (Wenling and Whidbee, 2013, p.281-282.) The public’s response to the unprecedented level of uncertainty in the macro economy, immediately after the 2008 crash and the burgeoning potential for civil unrest, brought the possibility of bank failures and the loss of individual savers deposits. The action taken by the UK authorities and regulators during this period was the introduction of the UK government’s policy of gradual deleveraging and restrictive lending, which mirrored that of Japan in the 1990’s. A consequence of this undercapitalization has been marked reduction in both commercial and individual lending, progressive since 2008. This environment in which customer dissatisfaction, staff disillusionment and customer churn is increasing, gives the pretext for Handelsbanken’s entry and growth within the UK market. (Goddard et al., 2009, p.371.)

There are two main categories of banks in Sweden: commercial banks and savings banks. Traditionally, commercial banks have specialized in short-term credits for business, whereas savings banks have been focusing on mobilizing domestic saving and channeling it to the housing sector and local government. (Zineldin, 2005, p.336.) There are four large banks in Sweden; Swedbank, which is a merger of savings banks and with a main focus on banking with individuals and small companies, SEB is the foremost corporate and merchant bank, however it retains a strong presence among the more affluent individual customers, Nordea, which is the result of cross-
country mergers of banks in Scandinavia and is also the largest Scandinavian bank, and Handelsbanken. Swedbank and Handelsbanken are the largest banks in terms of branch networks in Sweden. (Kroner, 2011, p.65.)

Handelsbanken is a Swedish bank that was founded in 1871. The bank offers its customers a full range of banking products, and has a nationwide branch network in Sweden, the UK, Denmark, Finland, Norway and the Netherlands, that are regarded as its home markets and as well as international operations. The total amount of operating countries is 24 and currently over 11 000 employees are working for the company. Handelsbanken management and operations has been strongly decentralized since the 1970s, when the then CEO, Jan Wallander, created the current organization. The most important methods of control for the bank are the corporate policy and corporate culture, as well as an effective financial control system. In Handelsbanken, the operations are always based on the customer’s requirements, and the branches have responsibility for individual customers. (Kroner, 2011, p. 66; Handelsbanken, 2013, paragraphs 1-6.)

According to Affärsvärlden (2013, paragraph 1) Handelsbanken was the 11th strongest bank in the world in 2012. The CEO Pär Boman highlights that Handelsbanken has held its position as Europe’s strongest bank since the measurements began, although the most important is to be the best bank within each area that Handelsbanken has a branch in (Affärsvärlden, 2013, paragraph 2). Handelsbanken was also ranked as the corporate bank of the year 2013 (Eastbrook, 2013, paragraph 1).

Handelsbanken is considered strong in the Swedish market with 462 branches divided into six regions and during the past 15 years it has expanded its operations abroad (Handelsbanken, 2012, p.23). The bank started its operations in the UK in 1989, and in the beginning operations focused on Nordic-related corporate business, but in 1999 Handelsbanken decided to broaden its operations in the UK and to start offering individual and corporate customers a full range of banking services. In 2011 the 100th UK Handelsbanken branch was opened, and likewise with the Swedish branch operations, the UK branch operations are organized into regional banks with regional head offices around the country. (Kroner, 2011, p. 66; Handelsbanken, 2013, paragraphs 1-6.)

According to the Telegraph (2013, paragraphs 1-2) Handelsbanken is doing business in a way that differs radically from all the other major British banks. The biggest differences to its UK counterparts are that Handelsbanken does not pay bonuses, it has no financial plans, there are no set
sales targets for staff and even the largest corporate customers bank within the branches. Managers have the authority to decide on every aspect of how the branch is run, from credit decisions to how much should be spent on advertising. The banking industry in the UK is mostly considered centralized, since it has been seen as a way to cut costs, although Handelsbanken has been taken the opposite approach to centralization by utilizing decentralization of its management and operations. (The Telegraph, 2013, paragraphs 9-18.)

The Independent (2013, paragraph 1) states that Handelsbanken differentiates itself from other UK banks by offering a local service, and that its growth has been driven by giving the staff power to decide who the bank does business with. The approach is the opposite of today’s high street giants that follow a centralized approach, only giving the staff the task to sell products. The bank focuses on profitability instead of growth, and the key measure for the bank is customer satisfaction. The secret of Handelsbanken’s success is localism, traditional face-to-face banking and the decentralized approach, which gives the branch managers the power to make lending decisions. The principle of localism is that customers need to live close enough to a branch to be able to become a customer in Handelsbanken, which is called within Handelsbanken the church tower principle, which means doing business with people that can be physically seen from the local church tower. (The Independent, 2013, paragraphs 1-15.)

Handelsbanken opens a new branch every eight working days, and if it continues with that its UK branch network would double in size to 320 branches in the next five years (The Independent, 2013, paragraph 16). The Independent (2013, paragraph 19) states that Handelsbanken will be a real challenger for the established retail banks, in the UK but not within the mass market, instead as a niche bank with a key influential customer-base and the loyalty among Handelsbanken’s customers is high and will help Handelsbanken grow. However, according to Kroner (2011, p.66) Handelsbanken is certainly not a niche player, since it serves most types of customers, offering them a full range of banking products.

1.2 Problem and aim

The work of Arrowsmith and Marginson (2011) focuses on the UK retail banking industry and investigates performance linked to the review of merit based bonus payments for staff, in which the study discusses the need for decentralized management control to effectively administer bonuses within retail branch banking. The study details how UK retail bank management views bonuses as a principal means to motivate and control staff through pay, amongst a tightening of labor markets
and work intensification. The study focuses on six main players in the banking industry and gives insight into the pre-existent bonus focal culture of the UK banking industry, being seen as a method to reform the performance of the British banking sector. The limitations of Arrowsmith and Marginson (2011) study is that the study is undertaken from a British perspective viewing centralized bonus schemes as the norm, the study focuses on long-term British banking market incumbents and discusses management decentralization, only in the terms of pay scales and the ability of middle management ability to adjust and review staff salaries and bonuses.

On the other hand Boström and Wilson (2009) discuss how Swedish banks have largely avoided the subprime crisis and subsequent recessionary period due to stricter in house risk management and by maintaining sensitivity to balanced portfolios. The study discusses the customer centric focus of Swedish banks and explicitly states “In an era when many banks are closing down branches Handelsbanken sticks out as a bank that gives good personal service, and the bank combines a well built branch network with internet services” (Boström and Wilson, 2009, p.384). The study discusses the strengths of the Swedish banking culture within a domestic market, but does not discuss how these strengths could be implemented within international business or within markets in which cultural differences affect both employees and customers alike.

Previous researchers (Zhang and Lopez-Pascual, 2012) have investigated the issue of national culture within the retail banking industry, from the perspective of a Spanish bank's national culture and how their operations are affected within their Chinese retail banking division, by Chinese cultural differences. Another existing research, which utilizes Hofstede's dimensions of national culture to critically investigate cultural differences is the work of Getz et al. (2010), in which the impact of national cultural was investigated cross culturally between Sweden, the UK, Australia and Norway. The focus of this work surrounds the phenomena of management strategies, stakeholder influences and implications within the outdoor-events industry. It also shows how management is shaped by its ownership and environment and that culture affects the decision-making process. (Getz et al., 2010, p.55.)

Other previous research in the banking field has focused on: where banks expand abroad, through an empirical analysis (Focarelli and Pozzolo, 2005); entrepreneurial prototype in bank management through a comparative study of branch bank managers (Litzinger, 1963); controlling a radically decentralized organization without budgets investigating in Svenska Handelsbanken (Lindsay and Libby, 2007).
As can be interpreted from the pre-mentioned existing research topics, no previous research has focused specifically on the managerial practices of a bank in two countries, namely Sweden and the UK. Furthermore, existing research about Handelsbanken’s decentralized model does exist, however with this study we posit the aim of comparing Handelsbanken Sweden and Handelsbanken UK with the focus on the managerial perspectives, which fills a gap in previous research and makes this study unique and relevant.

The aim with this study is to investigate what management practice Handelsbanken is using in Handelsbanken Sweden and Handelsbanken UK. In order to find out if Handelsbanken has adapted the same management practice in the UK, the focus has been on researching Handelsbanken’s organizational structure, decision-making, motivation and comparing the two national countries culture with each other through the use of previous work of Hofstede and Hofstede (2005) surrounding cultural theory.

The primary research question addressed in this research is:

*How do Handelsbanken implement its local approach in the UK?*

Moreover this research has two further secondary research questions that are related to the primary research question:

*What motivates the employees of Handelsbanken Sweden and Handelsbanken UK?*
*What are the corporate goals of Handelsbanken focused on?*

The study is limited to Europe; hereby the focus was set on two countries, namely Sweden and the UK. Other countries are not taken into consideration. Additionally this study is limited to only one field of business, the banking industry and to one bank, namely Handelsbanken. The focus of the study is on the managerial perspectives of the bank.

### 1.3 Disposition

This study is structured as beginning with the theoretical framework consisting of themes that are relevant to this study, such as branch banking, the delegation process, decentralization and centralization, motivation, culture and dimensions of national culture. The theory is then summarized in a conceptual model. The methodology chapter describes the research in detail; how the interviews with branch managers were conducted and it discusses the reliability, validity and credibility of the data. In the empirical findings the results from the interviews are presented, through addressing three themes that evolved from the interviews. The findings are then analyzed in
the analysis chapter through comparing the findings to the theoretical framework. In the last section, conclusion, the research questions are answered and the managerial, societal and theoretical implications are made; we also include the suggestions for further research.
2. Theoretical framework

In this chapter the relevant theories of the research topic including banking, management and business across cultures are presented. As this research concentrates on Sweden and the UK, the national cultural differences between the two countries are therefore discussed in detail through the use of Hofstede and Hofstede (2005) model on national cultural dimensions. As Hofstede and Hofstede are one of the main authors within this field, and existing cultural research preferred to use their model, the main focus was set on their research.

2.1 Banking

Commonly, working within banking offers security, slow advancement, limited opportunity for initiative and responsibility, and an emphasis on job stability rather than on high economic rewards (Litzinger, 1963, p.36). In order to survive, banks within the market must respond to changes in the external environment. Customer deposits are less stable than loans and customers change banks rather easily. Therefore banks cannot rely on producing only one or few products; instead they need to diversify into different areas such as fund management. A customer that purchases more products from a bank will not as likely change bank when facing minor problems. (Zineldin, 2005, p.336.)

2.1.1 Branch banking

Branching allows banks to spread out their loans and deposits over a broad geographical area or customer base, which stabilizes the banking systems by increasing diversification opportunities (Carlson and Mitchener, 2006, p.1297). Branch branching, exists as a subset of retail banking, banks, credit unions and building societies can exist as either mainstream financial institutions or fringe deposit-taking and lending institutions that are regulated both domestically and internationally, utilizing legislation which is mandated by governmental law. These retail banking institutions usually follow a operations model of offering services including transactions services, such as accounts and bill payments, and developmental services, for instance savings, mortgages and investments. (Brennan et al., 2011, p.3.)

Branch banking is designed predominately to offer transactional services with individuals and companies, therefore branch location has an important bearing on how convenient it is for community residents to access services and interact. Convenience is one important factor among residents, which influences consumer choice. (Brennan et al., 2011, p.4.) However, service innovation such as automated banking machines, telephone and online banking and debit cards has
changed how customers accessed routine services (French et al., 2008, p.450). Innovations in communication technologies, have driven a greater emergence of telephone and Internet-based retail financial services delivery channels, with an emergence of a centralized system of processing tasks, and the replacement of traditional face-to-face systems of lending risk assessment and management with an-at-a-distance credit scoring system (Burton et al., 2004, p.449).

Leyshon et al. (2008) discusses the global trend within the retail banking industry of branch banking “rationalization”, which has seen a trending reduction in local branch services, in which banking management show preference in centralizing services to reduce costs. When discussing the phenomenon in the UK context, Leyshon et al. (2008) also further discuss how over the past 20 years, this trend of centralization of branch services has caused a −31.7% reduction in the number of local bank branches, between 1989 and 2003, a reduction of 5,646 individual UK branch branches occurred during this time period (Leyshon et al., 2008, p.453).

### 2.1.2 International banking

There are three different ways in which banks can expand their operations to foreign markets: providing loans, asset and liability management to foreign counterparts, opening a foreign branch or acquiring shareholdings in a foreign bank, i.e. a subsidiary. Direct lending is generally offered to large-scale borrowers, such as states and multinational companies, and usually in the form of syndicated loans. This form does not require the physical preference of the bank in the foreign country, although representative offices might be beneficial. Foreign branches are an essential part of the parent bank and can offer a broad range of banking services to both domestic and foreign customers. Traditionally, their activity is mainly focused on the wholesale market. The final way is through subsidiaries that have identical banking powers as domestic banks and are generally retail oriented. (Focarelli and Pozzolo, 2005, p.2436.)

### 2.2 Management

The practice of management can be traced back thousands of years in history. The Egyptians used the management activities of planning, organization and controlling when they constructed the pyramids and for instance the Roman Empire developed a well-defined organizational structure that highly simplified communication and control. However, management as a field of study was not given attention until the nineteenth century, when a British industrialist and reformer, Robert Owen (1771-1858) recognized the importance of an organization’s human resources. (Griffin, 2005, p.42-43.)
Management can be defined as a set of activities directed at an organization’s resources that aim to achieve the goals of the organization in an efficient and effective way. An efficient manner is using the resources intelligently and cost-effectively, whereas being effective means making the right decisions and successfully implementing them. The four basic managerial activities include planning and decision-making, organizing, leading and controlling and which can be defined with the management process. Managers have the primary responsibility to carry out the management process. (Griffin, 2005, p.7.) They are responsible for coordinating organizational resources and assuring that an organization’s goals are successfully met. Managers contribute with their skills in order to direct the organization’s response to pressures from within and outside the organization. (Jones, 2007, p.29.)

2.2.1 Levels of management
Organizations generally differentiate managers into three basic categories: top, middle and first-line managers. Regardless of the level of management, managers are commonly related to a specific field within the organization, for instance marketing, finance, operations or human resources. In the highest level of the pyramid the top managers of the companies can be found. Top managers are a relatively small group of executives who manage the overall organization. (Griffin, 2005, p.13.)

The second level of managers, which is also the largest group of managers in most organizations, consists of the middle managers. Middle managers are responsible for implementing the policies and plans developed by the top managers, but also supervising and coordinating the activities of lower-level managers. Recently, many organizations have decreased the ranks of middle managers in order to lower costs and reduce excess bureaucracy. The importance of middle managers should not be underestimated, since they have an important task in connecting the lower and upper levels of the organization and in implementing the strategies developed at the highest level. The lowest level of management or the first-line managers are responsible for supervising and coordinating activities of the operating employees. (Griffin, 2005, p.14-15.)

2.2.2 The delegation process
According to Schermerhorn (2002, p.272) delegation is the process of distributing and entrusting work to others. The delegation process can be divided into three steps, as seen in figure 1. In the first step the manager assigns responsibility to the subordinate, or alternatively gives the subordinate a task to do. An example of a task of responsibility might be telling the subordinate to prepare a report and placing the person in charge whilst giving the authority to actually do the job that leads to step two. In the second step a manager might give the power to access needed
information from confidential files or to direct a group of other workers. The last step is about creating accountability, where the manager establishes the subordinate’s accountability, which means that the subordinate accepts a commitment to fulfill the assigned task. (Griffin, 2005, p.357-358.)

Figure 1. Steps in the delegation process (Griffin, 2005, p.358).

The delegation process benefits the manager, because it eases the work of managers when subordinates help them to get more work done. A subordinate might even have more expertise in the assigned problem compared to the manager, and therefore delegating some tasks to subordinates can benefit the whole organization. (Griffin, 2005, p.357.) According to Schermerhorn (2002, p.273) when delegation is adequately done it can lead to empowerment, where people have the freedom to contribute ideas and carry out their work in the best possible ways, which can lead to increased job satisfaction for the individual and repeatedly better job performance.

However, there can arise problems in the process of delegation. Disorganized managers can find difficulties in planning the work in advance and therefore not being able to delegate. Another issue is the fact that managers can find delegation threatening if the subordinates will do too well, which could affect the managers’ advancement. The problem could also be that the subordinates are not willing to take the responsibility because they are afraid of failure and not being able to complete the given task. Subordinates can also feel that they are not given any rewards for accepting additional assignments or preferring to avoid risk and instead allowing their manager their full responsibility. (Griffin, 2005, p.358-359.) Managers should not delegate without giving the subordinate the sufficient authority that is needed to accomplish the task. If a manager delegates insufficient authority it will be hard for the subordinate to live up to the performance expectations. (Schermerhorn, 2002, p.272.) The authority-and-responsibility principle states: “authority should equal responsibility when work is delegated from a supervisor to a subordinate”. (Schermerhorn, 2002, p.272.)
2.2.3 Centralized and decentralized organizations

The delegation process explains how authority can be delegated from one individual to another, while the same applies for organizations. According to Litzinger (1963, p.38) an important aspect of the organizational structure is on which levels the decisions are made, and when talking about branch banking usually policies, methods, procedures and programs are decided in the headquarters’ office and limited autonomy is left to the branches. However, a decentralized organization means that the operating decisions are pushed down in the organizational hierarchy. Decentralization of physical and managerial resources is a result of the branch banking. Although branch banking operations are seen as decentralized physically, not all banks apply the decentralization model, instead some maintain greater centralized managerial control. (Litzinger, 1963, p.38.)

Decentralization means delegating power and authority throughout the organization to middle and lower-level managers, whereas centralization is the process of systematically retaining power and authority in the hands of the top-level managers (Griffin, 2005, p.360). Communication in centralized organizations tends to be on a vertical axis between superiors and subordinates. The benefit with this approach is the efficiency achieved, although in larger organizations, top management may have difficulties in responding promptly to messages from below. Centralization is suitable when the environment of the business is stable and when the company does not have to respond quickly to change, or when the coordination between units has to be highly regulated. Centralization is also applicable when the individual and departmental initiatives are not valued, or the culture does not tolerate decision-making pushed down to subordinate levels. (Mead, 1998, p.171-172.) Centralized decision-making makes it easier to coordinate operations of international subsidiaries. This is used when companies operate in multiple lines of business or in many international markets. (Wild and Wild, 2012, p. 319.)

Decentralized decision-making highlights the local responsiveness, because of the fast-changing national business environment. When decisions should be made faster or when the possibility of misinterpretations should be minimized decentralized decision-making is preferential. Decentralization can also help participative management practices; employees’ morale and work enthusiasm is likely to be better if the subsidiaries managers are involved in the decision-making. Decentralization can also increase personal accountability; when managers are held accountable for their decisions, they usually put more effort into market research and consider all available options. (Wild and Wild, 2012, p. 319-320.) Decentralization does not eliminate the need for many
hierarchical levels in a large and complex organization that has to control work activities among various subunits. However, it can help the organization to become more flexible in its responses to changes in the external environment and also reduce the amount of supervision needed within a subunit. (Jones, 2007, p. 129.)

There are different factors that affect the organization’s choice of decentralization or centralization. One is the external environment of the organization, for instance greater complexity and uncertainty of the environment indicates that there will usually be a greater tendency to decentralize. The history of the organization also impacts the decision of either centralizing or decentralizing. Companies that have had a tendency to centralize in their early history will impact the decision of continuing with it. The nature of the decisions that are made is also an aspect that influences the company, for example if the decisions that are made are considered riskier or costlier there will be a pressure for the company to centralize. Also if the lower-level managers do not have the abilities required to make high-quality decisions, the company will choose centralization instead of decentralization. On the other hand, if the lower-level managers are talented, the top managers should take advantage of their abilities, otherwise the lower-level managers might leave the company. (Griffin, 2005, p.360.)

Companies seek to make a combination of centralization and decentralization that results in the greatest efficiency and effectiveness. International companies usually centralize decision-making in certain geographic locations while utilizing decentralization in others. (Wild and Wild, 2012, p. 319.)

2.2.4 Motivation and rewards

According to Jones (2007, p.122) when more authority and responsibility are given to managers and employees they are more motivated to perform their organizational roles, ceteris paribus. A flat organization has fewer managers and hierarchical levels than a tall organization, so managers in a flat organization acquire comparably more authority and responsibility than those managers in highly hierarchical organizations. Motivation in a flat organization is also stronger than in tall organizations. (Jones, 2007, p.122.)

Schermerhorn (2002, p.362) describes motivation as the level, direction and persistence of effort used at work. A highly motivated person works hard, whereas an unmotivated person does not. A manager who wants motivated subordinates needs to create conditions where people feel inspired to work hard. Rewards can be utilized in order to emphasize the motivation. (Schermerhorn, 2002,
Different rewards are used to motivate managers to perform well, for instance monetary compensation, which can have the form of salaries, bonuses and stock options, psychological satisfaction managers get from controlling the corporation, exercising power, or taking risks with other people’s money (Jones, 2007, p.29). In management, there are usually two different types of rewards, extrinsic rewards and intrinsic rewards. An extrinsic reward emerges outside of the individual, which means that the rewards are provided by another person or by the organization. Examples of these types of rewards are bonuses, promotions, time off, special assignments and verbal praise. (Schermerhorn, 2002, p.363.)

While extrinsic rewards are externally administered, intrinsic rewards are self-administered. Those arise naturally during the job performance, and they are built directly into the job itself. The main sources of intrinsic rewards are the feelings of competency, personal development and self-control people experience in their work. The motivational stimulus of these kinds of rewards is internal and does not depend on the actions of other individuals. (Schermerhorn, 2002, p.363.)

2.2.5 Autonomy

In the banking industry, when the branches within a bank are given a high degree of autonomy, they can be seen as franchises run by an independent entrepreneur, namely the branch manager. There is the concern that the branch becomes unambitious or too aggressive, therefore many banks respond to these issues with a mix of micro-management and centralized decision-making. (Kroner, 2011, p.76.)

The concept of autonomy is multi-faceted, and autonomy can be defined as “being independent, free and able to make self directed decisions” (Oxford English Dictionary, 2004, p.89). The concept of personal freedom and self-direction is closely related and interrelated with individual motivation. Self-determination theory concerns how people are motivated to perform tasks and the motivation of individuals to make choices, based on their own self-motivation and self-determination, regardless of external influence or interference. (Lepper et al. 1973, p.130-131.)

Self determination is linked to intrinsic motivation, which can be further explained as internal motivation or self decisions to motivate oneself, due to the individual belief in the value and potential of completion of a specific task. This phenomenon is contrary to that of extrinsic motivation, which is externally, influenced motivation, for example achieving a bonus, for reaching an externally set target. A person with a high degree of self-determination generally chooses to
carry out actions and decisions concurrent with their autonomy and not to achieve external reward or to escape adverse external stimuli. (Ryan, 1995, p.400-401.)

Deci and Ryan (2002, p.31) found that autonomy or self-determination, which is in itself the power of oneself to make decision and self control outcomes, is a critical factor to ensure intrinsic motivation. Furthermore it was found that offering individuals extrinsic rewards for behavior, which is intrinsically motivated, often undermined autonomy and consequently made individuals less interested in outcomes. (Deci and Ryan, 2002, p.31). Self determination also encompasses the aspects of the competence of the individual, how skillful they are in the ability to undertake their assigned job role and the concept of relatedness which are argued to foster the highest levels of quality in terms of motivation production. In which these three psychological prerequisites affect individual motivation and in turn overall performance. (Deci and Ryan, 2000, p.73)

One greatly discussed and widely known theory of motivation is the conception of Maslow’s hierarchy of needs pyramid (1970). Maslow’s widely accepted theory posits that motivation is congruent between all individuals in that motivation exists as a staged process in which one stage of motivation must first be satisfied before moving on to the next section. Aspects are arranged on a linear trajectory, which includes the most basic needs such as physiological and safety needs which progressed to more complex needs such as self-esteem. The theory makes the assumption that the goal of all motivation for all individuals is to achieve the level of motivation of self-actualization. (Kem, 1994, p. 17.)

However, as widely accepted and known amongst management as Maslow’s hierarchy is, there are still some parties that argue against the theory and its drawbacks. Tang and West (1997) argue that the time passed since the conception of Maslow's hierarchy of needs, which was first contrived in 1947 has now rendered some aspect of the original theory obsolete and that technological developments impact how the wider environment affects internal motivation as elaborated upon within Maslow's hierarchy of needs (1970, p. 24). However, it is argued that when managers consider Maslow’s hierarchy when attempting to ascertain the needs of employees, there is a risk that managers focus their attention on two distinct aspects and ignore wider factors. Furthermore, relationships between managers and staff are not all the same, variations exist in the level and quality of relationships. When managers determine the needs and what motivates staff, managers may overlook these variations in inter-personal relationships and make assumptions, such as simplistic conclusions that greater effort leads to higher performance and in turn higher
performance leads to greater outcomes, however this approach negates the differences in quality and closeness of relationships between managers and subordinates. (Tang and West, 1997, p.60.) These limitations identified by Tang and West (1997) gives validation to our decision to dispense with using this theory and focus greater on the self determination theory. The decentralized nature of our case company and our previously identified theory on decentralized organizations having closer relationship bonds, leads us to conclude that the more suitable theory to include in detail is the more recent literature on self determination theory.

Amabile et al. (1976, p.92-97) also studies in relation to intrinsic motivation that external constraints and pressures, such as overt surveillance and micro-management over an activity, can reduce and undermine future interest in that activity set. The relationship between autonomy and motivation is further clarified within the study, by the assertion that an individual’s motivation may suffer when they forced to conform to external pressures, such as that the desire to perform a specific task may decline if in that instance the individual is forced to do it for the sake of meeting a deadline (Amabile et. al. 1976, p.97).

External factors, which impose deadlines, restrict and control individuals, serves to decrease intrinsic motivation. On the contrary, situations, which enable greater autonomy, as opposed to reducing personal autonomy, often have a positive effect on motivation. Increasing a participants options and choices, increases their intrinsic motivation in relation to those activities in question. (Amabile et al. 1976, p.98.) It can therefore be said that a key factor within human motivation is that of autonomy, but it is also prudent to consider which key pre-requisites are provisos for the provision of autonomy.

Trust can be defined as, to have belief or confidence in the reliability, ability or truthfulness in another person to look after or perform a process with the intention of those actions being conducive to a benefit of mutual outcome (Oxford English Dictionary, 2004, p.1549). The concept of relative autonomy or that of engaging employees in the decision-making process, affects the behavior of employees and that both autonomy and openness or sincerity in communication is a determinate on the level of organizational trust (Pucetaite et al. 2010, p.201).

Employees involvement within decision-making, and therefore the concept of autonomy is inextricably linked with organizational trust, i.e. the level of trust within an organization as a whole and how much trust it preserves when viewing its stakeholders. It is noted that the level of
autonomy within an organization is heavily dependent on the organizational trust and that the relationship between trust and autonomy is symbiotic in nature and therefore when employees within organizations have involvement in decision making processes, this in turn embeds principles of human dignity, further autonomy and organizational practice. (DesJardins and McCall, 2000, p.196.)

2.3 Business across cultures
Companies that are conducting business overseas, have to considered aspects with the national cultures of countries. There are different approaches that companies can utilize; one of them is the standardized approach, which ultimately means applying the same business practice and procedures to the new markets.

2.3.1 Definition of culture
According to Trompenaars and Hampden-Turner (2012, p.8), “culture is the way in which a group of people solves problems and reconciles dilemmas”, culture is reasoned to an inherit tacit trait of all persons, but which affects all mannerisms of human cognitive thinking and behavior.

Culture does not exist purely as an element of economic social science, but as a facet of Human anthropology, which is common to all gender and nations alike (Tylor, 1871, p.410-416). Historically the most well adopted and prevalent theory surrounding what constitutes culture, stems from the historical work of Tylor (1871) and his anthropological approach of how individuals exhibit certain traits, beliefs and shared values in their mindset and approach. The historical aspect of Tylor’s work was further developed and elaborated upon within the field of social science, specifically economics and business management by the work of Hofstede and Hofstede (2005) surrounding the emergence of national culture and specifically how cultural identities can be collectivized within groups such as national citizenship, ethnic citizenship or organizational citizenship. In referring to human behavior and how the human “tribal instinct” plays as a core of ones cultural identity, one must take into consideration Hofstede and Hofstede’s (2005, p.2) exposition of how “every person carries within him-or herself patterns of thinking feeling and potential acting that were learned throughout their lifetime”.

Culture is not static, it is dynamic and evolving in nature, in today’s modern world with modern travel and communications technology, cultural identity cannot exist in isolation, but is ever changing in response to the macro environment and a wealth of external influences (Trompenaars and Hampden-Turner, 2012, p.265). Such is the diversity of factors which may alter or affect the
learning and behavior of cultural traits, it can be argued that many small independent actions, both independent and imposed, may have casual reactions in learning or cultural shifts. Furthermore such is the depth of research and theory within the field, the subset of “cultural identify and effects” are in themself an entire broad area of research in their plentitude. (Beaman and Beyer, 2007, p.79-83.) Hofstede’s and Hofstede’s (2005) work offers exposition on the vast complexity of factors, which can affect individual and collective culture, be it national or organizational. Variables, which retain the power to alter culture between citizens within social groups, can be internally embedded, for example racial groups, genetic makeup, cognitive ability and intelligence, all of which affect the individual’s cultural take-up or assimilation. External variables which have power to influence individual and collective culture can be simplified by considering the entire environment around us, including family and social ties, environmental and climate factors, technology, language, religion and the level of embeddedness in social structures. (Beaman and Beyer, 2007, p.431-505; Hofstede and Hofstede, 2005, p.363-365.)

2.3.2 National cultural dimensions of Sweden and the UK
Hofstede and Hofstede’s (2005, p.18) work on culture details how politics and the invention of nations, expositis that the creation of nation states is a relatively new construction in human behavior, but that which each nation has developed its own national culture over time, stemming from a wide number of factors, such as geographic location, climate and language.

In within the modern business environment it is possible to group sets of people with similar characteristics, into their perspective nation and national identity, which is the culture specific to that particular country, evolved over a period of time (Hofstede and Hofstede, 2005, p.20). The emergence of Hofstede’s model of national cultural dimensions has become an internationally recognized way to typify, benchmark and compare traits pre-existent within national cultures (Beaman and Beyer, 2007, p.82). Hofstede’s model of cultural dimensions posits five distinct cultural factors, in which all cultures can be measured and ranked; all elements in Hofstede’s research are ranked from 0 to 100. The higher the score, it can be shown that the greater that dimension is exhibited in society. (Hofstede and Hofstede, 2005, p.66-72.)

Hofstede’s five dimensions of culture can be divided into Power Distance (PDI), Individualism (IDV), Masculinity versus Femininity (MAS), Uncertainty Avoidance Index (UAI) and Long-term versus Short-term Orientation (LTO) (Hofstede and Hofstede, 2005, p.23). The dimensions will be
discussed through comparing the relative scores between Sweden and the UK, the scores for each country can be seen in Figure 2.

Figure 2: National cultural dimensions: Comparison between Sweden and the UK. (Hofstede and Hofstede, 2005.)

2.3.3 Power distance

Sweden scores relatively low on the PDI at a score of 31, the United Kingdom scores similarly low at 35 Hofstede and Hofstede (2005, p.44). According to Hofstede and Hofstede’s (2005, p.57) the Swedish culture is a culture where equality is championed, relationships between individuals with power and those without. In small power distance societies such as Sweden, the relationship between management and subordinates will remain relatively equal. The UK and Sweden are culturally close on this factor, however statistically Swedish organizations, are more likely to prefer a consultative management culture, in which many people are involved in decision-making. Within the Swedish workplace a lower PDI value of Sweden then that of the UK, results in more decentralized organizational structures and informal “first name terms” relationships between managers and subordinates. Salary ranges generally within low PDI societies such as Sweden, salaries are considered to have a smaller gap between employees in top and bottom jobs. (Hofstede and Hofstede, 2005, p.56-57.)

The UK scores a similarly low score on PDI, at 35, Hofstede and Hofstede (2005, p.44). This figure also shows a low PDI and that it exhibits similar traits as Swedish culture. However the UK’s higher score means potentially more correlation towards stronger hierarchies, centralized organizational structure and larger gaps in compensation and equality. There are variances within the British Class System and that PDI is in real terms significantly higher amongst the British
working classes, however the desire for social equality is prevalent belief throughout British culture. (Hofstede and Hofstede, 2005, p.48-49, 59.)

In summary we can deduce that both Swedish and British cultures are classified as low power distance societies, but Sweden slightly more so. In practical terms, Swedish companies are therefore more likely to have less hierarchical organizational structures, more likely to have decentralized decision-making and greater equality, than their UK counterparts.

2.3.4 **Individualism versus collectivism**

The dimension individualism versus collectivism refers to how strongly people feel connected to the community, as well as how people prioritize some decision-making and responsibility, such as putting yourself first, at the detriment to the wider community, is seen as being highly individualistic (Hofstede and Hofstede, 2005, p.74). Sweden scores 71 on IDV, with the UK scoring 89, which classifies both Swedish and British culture as relatively individualistic. British culture is the 3rd most individualistic society in the world and has greater individualism than Sweden. There is a large correlation between power distance and individualism, for example societies that have a small power distance, also tend to be more individualistic. (Hofstede and Hofstede, 2005, p.78, 82-83.) Within individualistic countries such as Sweden and the UK honesty and speaking ones mind is as a virtue highly valued, individuals within the workplace are expected to receive feedback constructively. Independence is highly valued in British culture, within individualistic societies; children that show independence at a young age are highly prized. (Hofstede and Hofstede, 2005, p.86-87.)

The UK is markedly more individualistic than Sweden, a social framework is in place, in which individuals are expected to take care of themselves and their immediate family, with limited regard for others, whereas Sweden's lower value, equates to a greater propensity to make decisions based on a wider societal outcome. Heavily individualistic societies, such as the UK, posit a corporate landscape in which individuals are managed, and employment is based upon and underpinned by mutual advantage. (Hofstede and Hofstede, 2005, p.97-101.) Sweden's individualistic culture is likely to value people’s free time and need for personal freedom, there is a respect for privacy and debate, as well as the expression of individual ideas is encouraged (Hofstede and Hofstede, 2005, p.92-93). British are highly individualistic and private people, children are taught from a young age to be independent, to think for themselves and to discover their own purpose in life. As affluence has risen in the UK, Hofstede and Hofstede (2005) state that rampant consumerism is now present,
with a strong “what’s in it for me” subculture, much greater than that of Sweden. UK citizens are more likely to be extrovert characters, with Swedish culture holding more constraint. (Hofstede and Hofstede, 2005, p.96-97, 99.)

In summary we can confidently state that both cultures are individualistic in nature, however the UK score is much higher, therefore UK individuals are more likely to make decisions based on what their own best interest is, whereas Swedish culture has greater likelihood to consider others, when making decisions.

2.3.5 Masculinity versus femininity

The degree of masculinity within a society shows how rigidly a society sticks with traditional male or female roles. The UK scores 66 on this factor, which classifies it as a highly masculine society. UK males are societally expected to be “tough”, to be assertive and an aggressive protectorate and provider for the family. Women are expected to conform greater to traditional “home-maker” professions, or professions separate from men. (Hofstede and Hofstede, 2005, p.121.)

Consequently low masculinity scores, does not mean a reversal in gender roles, but merely a blurring, in which there is greater gender equality, a less aggressive focus and there is a greater focus on gender roles or favoritism, with a greater focus on ability. (Hofstede and Hofstede, 2005, p.115.) Sweden scores 5 on this element, the lowest of any country on the Hofstede scale, therefore classifying Swedish culture as a highly feminine society, there is a much greater focus on social aspects, tenderness and societal outcomes. Highly masculine societies are more likely to have sales representatives, which are highly competitive, paid on commission and in assertive communication roles. (Hofstede and Hofstede, 2005, p.121, 126, 128.) Swedish culture is therefore much more focused on work/life balances and the inclusion of all, as a “feminine” tenderness, prevails over toughness. Swedish managers strive for consensus, equality and non-discrimination. Conflicts are usually resolved by compromise and negotiation, being decisive, caring and ambitious is for men and women alike. (Hofstede and Hofstede, 2005, p 126,136.)

In masculine societies such as the UK, being visible from the crowd and competing openly, striving to achieve status by being “the best boy in the class”. This is contrary to Swedish culture in which assertive behavior or attempting to excel is ridiculed. The whole culture is based around the tradition of “lagom”, which translates as not too much, not too little, everything in moderation. This often means that everybody has enough, but nobody goes without, there is a high focus on social
wellbeing and equality, Jante’s Law, is an unwritten cultural rule, which focuses individuals not to boast or aggressive attempt to lift their perception of themselves above everybody else. Merit is often awarding on ability and not on gender, class, social status or wealth. (Hofstede and Hofstede, 2005, p.137-139.)

The United-Kingdom is considered a highly masculine culture; there is high definition and distinction between gender roles. Men are socially pressured to avoid discussing emotions or making emotion based decisions. British culture is highly materialistic, similar to ancient humans conceptions, a person’s worth is largely judged by his value and number of possessions, used as a proxy measure of his ability, performance and therefore success. (Hofstede and Hofstede, 2005, p.142-145, 147.) The society has less compassion and focus on social issues and a larger focus on aggressive male traits, such as a cavalier attitude to work hours, with individuals preferring higher salaries over shorter working hours. The UK is a highly success oriented society, in which people live to work and not work to live, is at odds with the British preconception of modesty and understatement. Furthermore it is prudent to assert that within British culture, communication can be more complex, in which what is being said is not always what is being meant, the ability to be able to “read between the lines” is key. (Hofstede and Hofstede, 2005, p.146-147, 161.)

In summary, we can say that this is where the greatest variation exists between the two cultures, Swedish culture is feminine and more focused on tenderness, societal outcomes and equality, whereas the UK is masculine, aggressive and tough in nature, in which greater inequalities exist.

2.3.6 Uncertainty avoidance
The uncertainty avoidance dimension illustrates how comfortable or anxious society member feel when placed in uncertain or unknown situations. Sweden scores low on this scale at 29, the UK also similarly scores low at 35. (Hofstede and Hofstede, 2005, p.168-169.) Low uncertainty avoidance scores in both societies equates to a relative comfort of both societies of ambiguous or uncertain situations. Both countries score similarly low, however the UK is marginally higher, therefore UK is more likely to have more formal business conducts with rules and procedures, on the other hand, Sweden has a much more informal business practice, with a greater concern on long term strategy over day to day concerns. (Hofstede and Hofstede, 2005, p.164-166, 170.)

Sweden is considered to have a low preference for avoiding uncertainty, Swedes maintain a relaxed attitude to risk and deviance from the norm is greater accepted. There is often greater personal
freedom, as there is a belief there should not be more rules than necessary. Schedules are flexible and responsive innovation is not seen as threatening. (Hofstede and Hofstede, 2005, p.173-175.) Brits are quite happy to wake up, not knowing what the day brings and are comfortable “making it up as they go along” adapting plans, as new information is discovered. Brits are comfortable in ambiguous situations and have the British expression of “muddling through”, this results in clear end goals, but planning which is not always detail oriented, planning horizons also often tend to be shorter. The Brits and the Swedes alike are also more likely to feel comfortable in uncertain situations, such as riskier investments. (Hofstede and Hofstede, 2005, p.181, 183-184.)

In summary, we can posit that Swedish culture is marginally more comfortable with risk and being in situations that are unclear, whereas the British have greater preference of situations with a clearer direction and outcome.

2.3.7 Long-term versus short-term orientation
The long-term orientation refers to how forward thinking a society is or how it values long-standing, as opposed to short term values and objectives. The degree of long-term orientation measures the fostering of values towards future rewards. (Hofstede and Hofstede, 2005, p.210.) The UK scores 25 on this dimension, with Sweden scoring 33, therefore it can be said that Sweden has a relatively higher long-term orientation. Longer-term societies, such as Sweden, often have a greater focus on family as a basis of society; they show strong respect for traditions, reward perseverance, loyalty and commitment and focus on a long-term return on resources employed. Lower-term oriented societies, have less hesitation to introduce changes, self-actualization is sought and there is a greater focus on shorter-term return. (Hofstede and Hofstede, 2005, p.210-212.) Sweden scores 33, making it a short term orientation culture, there is a respect for traditions generally, but a small propensity to save for the future, however this is more so than the UK's score of 25, making the Brits relatively more impatience for achieving quick results (Hofstede and Hofstede, 2005, p. 217, 225).

The UK is a short-term oriented culture, meaning that there is some respect for history and traditions, but a focus on quick results achieved in a short space of time. Planning horizons and business is focused on the short-term goals, such as short-term quarterly goals and the notion of forfeiting a luxury today for the promise of something greater in the future is a virtue not widely held. (Hofstede and Hofstede, 2005, p. 228-231.)
To conclude we can state that the UK has a shorter-term orientation than Swedish culture. Swedish culture is more likely to orientate reward over a longer period, or further in the future.

2.3.8 Critics to Hofstede’s cultural theory

Culture is not static, it is dynamic and evolving in nature, this is especially prudent with the advert of new communication technology. Cultural identity cannot exist in isolation, but is ever changing in response to the macro environment and a wealth of external influences. (Trompenaars and Hampen-Turner, 2012, p.265.) Such is the diversity of factors which may alter or affect the learning and behavior of cultural traits, it can be argued that many small independent actions, both independent and imposed, may have casual reactions in learning or cultural shifts. Furthermore such is the depth of research and theory within the field, the subset of “cultural identify and effects” are in themselves an entire broad area of research in their plenitude. (Beaman and Beyer, 2007, p.79-83.) Much discussion has occurred within academia as to how best measure, typify and classify culture. Hoffman et al. (2003) discusses how the work of Hofstede and Hofstede (2005) is the most widespread and accepted in the field of academic literature on national culture. However, critics of Hofstede et al. work on cultural dimensions often argue that the dynamic nature of culture has rendered some of Hofstede’s dimensions now obsolete.

Furthermore, since the political and economic situation has changed in recent decades, some scholars argue that Hofstede’s list of cultural profiles of different countries may even be obsolete. Froholdt and Knudsen (2007, p.304) argue that Hofstede has built-in western bias and a static perception of cultural dimensions. However, as our study is conducted in a western arena, whilst also taking into considerations of Hofstede's national dimensions limitations, we feel that it is still the most appropriate theory to utilize for our study. This is also in line with the argument of Bird and Fang (2009, p.140) who state that Hofstede has been widely regarded as the most successful model in narrowing down the concept of culture into simple and measurable components. Therefore we conclude that in line with the noted theory, Hofstede was utilized within this study, as the best theoretical tool available to critically look at culture.

2.3.9 A standardized business approach

When organizations conduct operations or business across borders, there is often a decision to make regarding, adapting business practice and procedures to the new markets, adopting the practice of the existing domestic market, therefore taking a standardized approach or to impose a hybrid model of the two. Hofstede et al. (2010, p.387) discusses the opposing views in the standardization versus adaption debate, by discussing the theory of ethnocentrism, in which there is an inherent belief that
ones domestic culture or way doing things, is superior to that of the existing culture of a foreign market. The polar opposite of ethnocentrism is that of xenophilia, in which individuals believe that the new foreign culture is superior in all aspect. There can be a relative middle ground between each end of the spectrum, which can be referred to as a polycentric approach in which a recognition of cultural differences, adaption to some aspects for greater efficiency, whilst retaining some existing culturally influenced processes and procedures from previous domestic endeavors. The decision on whether firms approach is Standardized, fully adapted i.e. xenophilic or a mixture of both, i.e. polycentric, is influenced by factors such as the level of decision makers home cultures, including their power distance, individuality, masculinity and long-term orientation. (Hofstede et al., 2010, p.387, 400.)

Protagonists of globalization, argue that standardization is making the world more homogenous and that the practice of organizations which choose not to fully adapt to local markets, is causing cultural convergence. It is often argued that the business environment is not homogenous across borders and that heterogeneity, necessitates the need for adaption, when working internationally, in which local condition, culture and opportunities may not be the same. (Johansson and Thelander, 2009, p.202.)

The concept of standardization is often applied to the marketing context, but can also be considered for that of business and management operations themself, such as the view that businesses should attempt to standardize operations, throughout the organization, in order to ensure the benefits of consistency and economies of scale. When considering management standardization, consistency across borders maintains the strength of brand integrity, ensures that processes and procedures are followed in a specific way and that senior management can be sure of what’s going on on the ground within foreign markets. (Johansson and Thelander, 2009, p.208-217.)

2.4 Conceptual model
The following conceptual model has been developed from the theoretical framework through summarizing the core themes of our theoretical framework. The model 1 displays cause and affect of how macro-environment factors affect a chain of variables leading to microenvironment outputs, which are displayed to the right side of the model.

We can deduce from our theoretical framework that the work of Hofstede and Hofstede (2005) explains that national culture affects human behaviors and therefore has an affect on cognitive
behavior such as decision-making, but also often affects management and staff’s decisions related to everyday business decisions and strategic decisions. Hofstede and Hofstede (2005, p.2) literature discusses how an individual’s learning and cultural assimilation affects their actions. Therefore we can construct within our model that Hofstede and Hofstede’s (2005) work on national culture dimensions, affects decisions made by managers.

Griffin, (2005, p.7.) posits how planning and decision-making is one of the four key pillars within management, therefore we can identify a symbiotic relationship between national culture and management decisions. Litzinger (1963, p.38) concludes that organizational structure is also a key determinant of the management process, which is in turn affected by the level of centralization or decentralization of an organization’s decision-making processes. Therefore within our model we construct that national culture affects the propensity of organizations to pursue either a decentralized or centralized management structure. The level of centralization or decentralization has implications with a number of variables as outcomes. Therefore in line with (Griffin, 2005, p.360) we demonstrate within our model that the level of decentralization affects individual authority and subsequently the ability to make self-directed decisions, which is defined by the Oxford English Dictionary (2004, p.89) as autonomy. We include autonomy as an output displayed within our model; autonomy is a determinate depending on the level of inter-personal trust within an organization (Pucetaite et al., 2010, p.201).

The decentralization or centralization of a company also affects the level of trust and the responsibility and autonomy assigned to the individuals. Trust can be defined as, to have belief or confidence in the reliability, ability or truthfulness in another person to look after or perform a process with the intention of those actions being conducive to a benefit of mutual outcome. (Oxford English Dictionary, 2004, p.1549.) Blomqvist (1997, p.271, 283) also discuss how trust is seen a major influencing factor within cross-cultural communication. Trust is usually the outcome of the process of building relationships in which trust builds gradually. Trust is most commonly not equal in relationships but is based on the individuals’ perception as to how another person will perform within tasks or on a future occasion. The level of trust within relationships affects the outcome of relationships, delegation and the strength of completion of tasks.

Employees’ involvement within decision-making, and therefore the concept of autonomy is linked with organizational trust. It is noted that the level of autonomy within an organization is heavily dependent on the organizational trust and that the relationship between trust and autonomy is
symbiotic in nature and therefore when employees within organizations have involvement in decision-making processes, this in turn embeds principles of human dignity, further autonomy and organizational practice. (DesJardins and McCall, 2000, p.196.)

Model 1. Outcomes of national culture. (Bergheim and Ings, 2013.)
3. Methodology

This chapter outlines the research method for processing the empirical data of this study. It elaborates on the data collection methods, research design and data analysis. Also the limitations of the methodology are presented.

3.1 Primary and secondary data

Data collection can be executed in two opposing methods, through primary or secondary data. Primary data is specifically collected for an ad-hoc research project, whereas secondary data is data that has been collected previously for another purpose. Secondary data, which can include both raw data and published summaries, can provide additional knowledge or interpretations and conclusions. (Saunders et al., 2012, p.304, 678, 681.) This research included primary data collection, which was collected through interviewing ten branch managers in Handelsbanken.

The data can be collected through two opposing methods, namely through qualitative or quantitative research. Saunders et al. (2012, p.161) posit that qualitative research varies from that of quantitative research, in that qualitative research can be used as a terminology that embodies and utilizes a multitude of non-numerical data sources, which can be exemplified through techniques of data collection such as, questionnaires, collection of words, images, video media and soft datasets. The contrary of qualitative data, is that of quantitative data, which utilizes a numerical measureable data collection technique, therefore any dataset which is collected by a quantitative method, can be statistically analyzed or investigated further by using a numerical or arithmetical methodology (Saunders et al., 2012, p.161). Qualitative research is distinguished from quantitative research in that it is based upon meanings expressed through words, whereas adversely quantitative data is based on meanings derived from numbers. Data collection results within quantitative datasets are numerical in nature; they are standardized and are often analyzed by applying diagrams and statistics. Qualitative data collection is non-standardized; it requires data to be classified into categories and data, analyzed through the use of conceptualization. (Saunders et al., 2012, p.547.) Qualitative research method has been utilized in this study because the qualitative approach gives better possibilities to reach the aim of the study presented in the first chapter. The aim of the study is the main indicator whether to choose the qualitative or quantitative research method. A qualitative research increases the possibilities to gain detailed and broad answers from the managers interviewed in this study.
3.2 Research design

Research design is a framework for the collection and analysis of data to answer the research questions (Saunders et al., 2012, p.680). A research design is much more than a work plan, its purpose is to help avoid the situation in which the evidence does not address the initial research questions. A research design deals with a logical problem and not a logistical problem, because a research design is a logical plan for getting from here to there, where here may be defined as the initial set of questions to be answered and there is some set of conclusions or answers about these questions. (Yin, 2009, p.26-27.)

3.2.1 Research approaches

Research can be initiated through utilizing either a deductive, inductive or abductive approach. The deductive approach is where researchers use existing theory available and subsequently shapes it to become a qualitative research process, based on preconceived hypotheses or ideas, which are inspired by previous research. An inductive approach means that researchers first collect data then subsequently investigate and explore which themes or issues appear, to further follow up and concentrate on them. (Saunders et al., 2012, p.548-549; Bryman and Bell, 2007, p.727.) The abductive approach is when the researcher collects data to explore a phenomenon, identify themes and explain patterns, to generate a new or modify an existing theory, which will be tested through additional data collection (Saunders et al., 2012, p.145, 548-549; Bryman and Bell, 2007, p.727). The deductive approach has been used throughout this process, in order to first establish preconceived hypotheses and existing theory surrounding the subject and to potentially build upon them.

3.3 Interviews as research methods

A research method is a technique for collecting data, and it can involve a specific instrument such as structured interview schedule (Bryman and Bell, 2007, p.40). According to Yin (2009, p.106, 108) interviews are one of the most important sources of case study information, especially because most case studies are surrounding the occurrence of human affairs or behavior. There are three types of case study interviews: in-depth interview, focused interview and survey. In the in-depth interview the interviewer can ask the interviewee about facts of a certain issue but also the interviewee’s opinions about occurrences. In focused interviews the respondent is interviewed for a short period of time, such as an hour. The interviews can be open-ended and undertake a conversational manner, but the interviewer follows a certain set of questions based on the case study protocol. The survey includes structured questions and could be designed as part of an embedded case study and produce quantitative data. (Yin, 2009, p.107-108.)
Structured interviews offer a method of asking and recording answers, which is standardized, however this is better suited to that of quantitative research generally. Alternatively qualitative research is often better served by a qualitative interview, two other major types of which are unstructured or semi-structured interviews. (Bryman and Bell, 2007, p.212, 472, 474.)

Unstructured interviews can be utilized to conduct an interview in which, there is limited structure and informality in approach, with the objective of exploring one or more themes, but without a specific predetermined list of questions. Unstructured interviews can often resemble the character of a conversation. (Saunders et al., 2012, p.684; Bryman and Bell, 2007, p.474.)

In a semi-structured interview, frequently the researcher has a specific list of questions, often referred to as an “interview guide”. When conducting a semi-structured interview, researchers may not explicitly ask all questions listed in the interview guide, on the whole all questions will be asked and similar wording used, from each interviewee to interviewee. With this method the researcher has the autonomy to react to the interviewee and pose new questions, which are not predetermined in the interview guide. (Bryman and Bell, 2007, p.474.) Semi-structured interviews should be utilized when there are more than one person conducting interviews, because it makes it possible to compare results between respondents, as without an interview guide, it is nigh on impossible to compare results postliminary (Bryman and Bell, 2007, p.480).

From the three different approaches, the semi-structured interview method was applied in this study. The structured interview was not well suited to our research objectives, as it focuses on a standardized quantitative approach generally. Furthermore unstructured interviews may have lacked enough focus to determine our specific research objective. As is concurrent with most semi-structured interviews, we compiled a specific list of questions whilst also retaining the autonomy to interact with the respondent and elaborate on previously unexplored aspects. The semi-structured interviews provided the greatest consistency and reliability between all of the respondents as two individual researchers held the interviews. An unstructured interview method would therefore not have provided comparable results.

From the ten interviews that were conducted, seven were on face-to-face basis, whereas three interviews were conducted by telephone. According to Saunders et al. (2012, p.404) telephone interviews are advantageous since they can offer access, speed and lower cost. It makes it practical to conduct interviews on distance, which makes it more convenient. Still there are some
disadvantages with telephone interviews. Since the intention of semi-structured interviews is to explore the responses of the interviewee and establishing trust is especially important when asking sensitive questions. Conducting qualitative interviews by telephone can lead to issues of reduced reliability where the interviewees are less willing to engage in an exploratory discussion or even refuse to take part in it. (Saunders et al., 2012, p.404.) The researchers carefully considered the issues with telephone interviews in order to create trust by first telephoning ahead, explaining briefly the purpose and details of the study, with the aim of arranging a later date to call back. This resulted in that the interviewees could schedule a specific, adequate time to engage fully in the interview session, which also increased the reliability and validity of the data collected.

3.3.1 Audio Recording Interviews

When conducting interviews, recording the process audibly, creates several advantages for the researcher, such as enhanced concentration on the interviewee and listening to responses, as the recording can be re-played, re-listened to and transcribed at a later date, offering an accurate and un-biased account of responses, without the limitations of the researcher own recollection and memory. However, disadvantages exist with audio recording interviews, on occasion, an respondents awareness of the recording and it’s permanent nature of the record produced, can inhibit and possibly reduce the freedom of speech of the respondents true views. Another disadvantage that can be apparent when relying on an audio recording to later transcribe is that technical problems may be encountered. Permission to audio record an interview should always be sought prior to starting the interview. Re-listening to audio recording after the interview and transcribing the results, often enables researchers to greater examine and analyze the interviewee’s answers. Although transcribing requires good quality electronic equipment, such as a good quality tape recorder and microphone and is often extremely time-consuming task. (Bryman and Bell, 2007, p.489; Saunders et al., 2012, p.396.) However, recording devices should not be used when there is no plan for transcribing or systematically listening to the interview again or when the researcher uses the recording device as an alternative for listening carefully throughout the interview (Yin, 2009, p.109). The interviews conducted in this study were recorded and transcribed afterwards. The recording allowed the researchers to focus on the interviews when present and to ask related questions outside the interview guide. It also allowed re-listening to the interviews and it provided an accurate and unbiased account, which could be utilized when analyzing and comparing the responses.
3.4 Data Collection
The researchers were carefully considering different aspects regarding the data collection that will be entitled below through selection of samples, interviews and the presentation of the interviewees.

3.4.1 Selection of the company
The focus of our research is on the banking industry in Sweden and the UK, with the focus on Handelsbanken, an organization that has operations in both markets. Since Handelsbanken is a Swedish bank, and both researchers are living in Sweden, whereas one of the researchers is a Brit, the choice to research the company in these two countries arouse naturally. One of the researchers has work experience in Nordic banking, and therefore insight to the banking industry. From both countries five branches were chosen that the researchers intended to target.

The sampling method and selection of samples is dependent on a series of variables. The selection and participation of respondents within an interview-based study is dependent on the availability of participants, the locality of respondents and how friendly or cooperative they are in response. (Bryman and Bell, 2007, p. 182.) When selecting potential respondents within the case company, we focused on specific geographical areas in both Sweden and the UK. In Sweden all of the branches were situated in Gävleborg, Uppland and Stockholms län, and within the UK in Norfolk, Suffolk, Essex and Cambridgeshire counties. The different branches included in the study are presented in two maps in Appendices C.

3.4.2 Interviews
The data for this study was collected through ten semi-structured interviews, either face-to-face or via telephone, in both Handelsbanken Sweden and Handelsbanken UK. The interviews were conducted in Autumn 2013. We researched potential branches through the Handelsbanken website, and the selection procedure of the respondents was affected by the geographical proximity for the researchers involved and the ease of logistics travelling between the branches. We identified that each individual branch in both countries has their own website containing a staff directory and contact details. We identified that each branch has an overall individual in charge, referred to from now on as the branch manager. We ascertained that branch managers were best suited to assist us with our research objective, since it was clear that they had a holistic view of the operations within their branch and were experienced enough to answer our questions fully. We then initiated contact via telephone requesting involvement and setting up the future interviews, dates and times. After the telephone call we sent e-mail to the branch managers briefly summarizing the aim of the
research and confirming the interview details. Some of the branch managers also received a copy of the interview guide as requested beforehand in the e-mail.

All five interviews conducted in Sweden were carried out face-to-face within the branch manager’s office. Two of the interviews in the UK were conducted face-to-face in the offices of the branch managers, with the remainder being interviewed via telephone. In the beginning of each interview we asked the permission to audio record each interview, we also asked the interviewee’s if they allow us to publish their names as a part of the study. The interviews were also transcribed in full as soon as possible after the interview. An interview guide was developed based on the knowledge the researchers had gained in the process of compiling the theoretical framework and the conceptual model (model 1). The interview guide was used in all of the interviews, which consisted of four themes to be covered and 18 questions related to the study for the Swedish respondents and 21 questions for the British respondents. All of the respondents were asked the same questions, except that the British respondents that had an additional three questions so the researchers would gain additional knowledge on how the Swedish culture was seen within Handelsbanken in the UK. The interview guides can be found in Appendices A and B. However, it should be mentioned that not all of the questions were necessarily asked and furthermore other questions arose during the interview sessions. The interviewees answered, as much as possible, questions covering these four main types of themes: Organization, Decision-making, Staff and Customers.

The total amount of the participants in the data collection was ten; five British branch managers and five Swedish branch managers. The precise information about every interview can be found in table 1. The interviews lasted between 20-80 minutes each. All of the interviews, except one, were held in English, while one was held in Swedish as a request from the respondent, which was possible since one of the researcher’s mother tongue is Swedish. The respondents were helpful and answered the questions asked in a detailed manner. After conducting ten interviews, the researchers felt that no new information was added and therefore the decision not to interview more respondents was taken. This is in line with the work of Ritchie and Lewis (2003) in that after conducting a number of interviews we reached a point of diminishing return with our qualitative sample, as the study progressed, it became clear that the level of repetition of answers within interviews did not necessarily lead to more information (Ritchie and Lewis, 2003, p.175).
Table 1. Presentation of the interviews.

<table>
<thead>
<tr>
<th>Respondent Name</th>
<th>Position</th>
<th>Country</th>
<th>Branch Location</th>
<th>Duration (min)</th>
<th>Interview Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alan Barnard</td>
<td>BM</td>
<td>UK</td>
<td>Colchester</td>
<td>50</td>
<td>Face-to-face</td>
</tr>
<tr>
<td>Andrew Pike</td>
<td>BM</td>
<td>UK</td>
<td>Ipswitch</td>
<td>35</td>
<td>Telephone</td>
</tr>
<tr>
<td>Ian Hall</td>
<td>BM</td>
<td>UK</td>
<td>Norwich</td>
<td>25</td>
<td>Telephone</td>
</tr>
<tr>
<td>Nigel Foyster</td>
<td>BM</td>
<td>UK</td>
<td>Bury-St-Edmunds</td>
<td>85</td>
<td>Face-to-face</td>
</tr>
<tr>
<td>Richard Waters</td>
<td>BM</td>
<td>UK</td>
<td>Cambridge</td>
<td>35</td>
<td>Telephone</td>
</tr>
<tr>
<td>Baruch Grauman</td>
<td>BM</td>
<td>Sweden</td>
<td>Uppsala Industriområde</td>
<td>30</td>
<td>Face-to-face</td>
</tr>
<tr>
<td>Daniel Spangenberg</td>
<td>BM</td>
<td>Sweden</td>
<td>Birger Jarlsatgaten, Stockholm</td>
<td>30</td>
<td>Face-to-face</td>
</tr>
<tr>
<td>Micael Lindström</td>
<td>BM</td>
<td>Sweden</td>
<td>Tierp</td>
<td>30</td>
<td>Face-to-face</td>
</tr>
<tr>
<td>Pia Källarbo</td>
<td>BM</td>
<td>Sweden</td>
<td>Sandviken</td>
<td>25</td>
<td>Face-to-face</td>
</tr>
<tr>
<td>Svante Larsson</td>
<td>BM</td>
<td>Sweden</td>
<td>Gävle</td>
<td>80</td>
<td>Face-to-face</td>
</tr>
</tbody>
</table>

3.4.3 Presentation of the interviewees

The respondents that were willing to participate in the study are detailed below, it can be seen that all respondents we chose to interview are professionals and experienced within the banking industry. The knowledge and experience of all ten interviewees was sufficient to assist us in answering our three research questions.

Alan Barnard has been part of Handelsbanken UK since 2010; previous to that he has worked for BNP Paribas Fortis Bank. He has 40 years experience, gained in both the UK and US banking industry, he began his career in Barclays Bank in 1973.

Andrew Pike has been working for Handelsbanken UK for the last six months, he has approximately 30 years experience within the UK banking industry, spending around 24 years at Barclays Bank and six years with Clydesdale Bank.

Ian Hall has worked for Handelsbanken UK for approximately two years, previous to that, he worked for the Royal Bank of Scotland Group, specializing in asset finance for the last 9 years. He has 28 years UK banking industry experience.

Nigel Foyster has been working for Handelsbanken UK for 7 years; he has been branch manager for two branches, and involved in establishing two Handelsbanken branches from scratch. He has run his own financial consultancy business previously and has approximately 30 years experience with Barclays Bank UK.
Richard Waters joined Handelsbanken in 2005; previous to that he was a corporate banker for 26 years with Barclays Bank. He also sits on the Handelsbanken European Works Council, which meets regularly with Handelsbanken CEO Pär Boman.

Baruch Grauman joined Handelsbanken in 1991. He has been working at his present branch as a branch manager for almost 14 years.

Micael Lindström has been in his present branch for four years as a branch manager and he has been working in Handelsbanken since 2001. He has experience in being a branch manager for two different branches.

Daniel Spangenberg has a 12-year long experience from Handelsbanken. He has been working as a branch manager for two different branches, and since April 2013 at his present branch.

Pia Källarbo started in Handelsbanken already 1990 by working at one of the Stockholm branches. She has been working as a branch manager since 2005, and four years in her present branch.

Svante Larsson has been working in Handelsbanken for 25 years. He has experience from working at several different branches around Sweden. He has been a branch manager in Gävle for over ten years.

3.5 Presentation and analysis of data

Thematic analysis aims to identify themes within the data, the general issues of interest are determined prior to the analysis, the specific nature of the themes to be explored are not predetermined (Ezzy, 2002, p.88). All interviews were fully transcribed by the researchers after the interview sessions, and during the interviews the researchers wrote down short notes of each interview in order to summarize the key points of the interviews. These notes helped the researchers to categorize the transcripts into theoretical codes. The theoretical codes, or categories, and examples of data segments used to build these theoretical codes are shown in table 2. It is worth mentioning that the theoretical codes are often based on the interviewees’ responses to specific interview questions and the relationship between those does not always appear simply from an interviewee’s response, but from the interplay between the interview question and the response of the interviewee. The categorized data were then grouped with accordance to the three research
questions and the amount of themes was chosen on the basis of the research questions stated in the introduction chapter and the themes relevance to those.

The findings are presented in the next chapter, and the three themes presented are 1) local approach, 2) Handelsbankers and 3) long-term perspective. These themes are presented the following: first the collected data from Sweden is presented, followed by the UK responses, and then the first theme is summarized in a table. The same applies for the two other themes. When presenting the data in the findings section, the following abbreviations are used; BMS stands for branch manager Sweden, BMU means branch manager UK and BM means simply branch manager, the terms apply for both singular and plural forms. After presenting the findings they were then analyzed in the analysis section. According to Eisenhardt and Graebner (2007, p.29) by intertwining the findings with the theory demonstrates the close connection between empirical evidence and emergent theory and keeps both empirical evidence and emergent theory at the forefront of the study.

Table 2. An example of theoretically coding data.

<table>
<thead>
<tr>
<th>Examples of theoretical codes</th>
<th>Examples of data</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Decentralization vs. centralization</strong></td>
<td>BMS: “Decentralization, it is all up to the branches and the branch managers to form their business.”&lt;br&gt;BMU: “British Banks are often top down and hierarchical, they have a different set of values in a British bank, whereas at Handelsbanken we are decentralized, decisions are made locally, much more focused on the customer, no targets, no bonuses.”</td>
</tr>
<tr>
<td><strong>Motivation of staff</strong></td>
<td>BMS: ”Most important thing is that you have a good chance to make a career in Handelsbanken.”&lt;br&gt;BMU: “What motivates most people is the culture and the ethics and the responsibility of knowing that you are forming something […] knowing that you are actually building a bank in the UK.”</td>
</tr>
<tr>
<td><strong>National culture dimensions</strong></td>
<td>BMS: “With satisfied customers and low costs, that is the long-term basis in our work.” (LTO)&lt;br&gt;BMU: “Furthermore when you think about the banks reward scheme, which is the pensions and shares in the business when you retire, it’s all geared around staff who are going to be here in the long-term.” (LTO)</td>
</tr>
</tbody>
</table>

3.6 Reliability, Validity and Credibility

The reliability of a study ensures that results are repeatable and consistent (Bryman and Bell, 2007, p.40). Reliability ensures that if subsequent studies are conducted utilizing the exact same methodology then the researchers should derive the same outcomes or conclusions. By ensuring as
many steps within the methodology as operational as possible and conducting research prudently can ensure auditable results. (Yin, 2009, p.45.)

Validity aims to deduce whether or not the measures of a concept really do measure the concept in focus (Bryman and Bell, 2007, p.164). External validity offers the potential to generalize concepts or conclusions outside off a specific case study. Internal validity aims to ascertain if variables within a case study have a casual relationship. (Yin, 2009, p. 40,43.)

Credibility can be promoted through giving the relevant information to the respondents prior to the interview and also by supplying the participants with a list of the interview themes before the session. The list of themes might help to promote validity and reliability because it informs the respondent about the information that the researchers are interested in investigating and gives the respondents the opportunity to prepare for the interview by assembling supporting organizational documentation from their files. (Saunders et al., 2012, p.385.) All of the interviewees that were participating in our study were given a list of interview themes before the actual interview, in order to give the participants a chance to prepare for the interview beforehand.

According to Saunders et al. (2012, p.381) there are three potential biases to consider when doing interviews; those are either related to interviewer bias, interviewee bias or participation bias. The interviewer can create bias through comments, tone or non-verbal behavior that is used when the interviewee is responding to the questions asked. Also when the interviewer is not able to develop trust in the interviewee, or when the credibility of the interviewer is lacking, the value of the information given may also be limited, which raises doubts about the validity and reliability of the data. (Saunders et al., 2012, p.381.) Kumar (2005, p.132) state that there is always the possibility that the researcher may introduce his or her bias, when framing the questions and while interpreting the responses. The interviewee bias deals with the fact that depending on the researched topic the interviewee can feel that the explored theme is too sensitive to discuss and reveal information about, and that answering questions would lead to probing questions which would lead to sensitive answers that the interviewee is not willing to answer or in some cases empowered to reveal information. As a consequence, the interviewee might only give a partial picture of the situation that gives the interviewee a more socially desirable role, or may focus only on the positive aspects of the company. Bias that result from the nature of the individuals or organizational participants who agree to become interviewed can be seen as participation bias. (Saunders et al., 2012, p.381.) The questions asked in our research were not of sensitive character, which improves the reliability of
our research. Also possible interviewer bias did not occur, since the interviewers were using neutral communication when conducting the interviews, which increases the validity and reliability of the data.

Following on from this, as researchers we must take into account potential professional bias, which is discussed by Vaivio (2008, p.73) as the risk of only gathering “official” views surrounding practice. The risk posed in only gaining “official” viewpoints, in that respondents may only communicate viewpoints, which they feel their superiors wish to be conveyed and may not be willing to discuss in detail their own personal opinions, in order to avoid any negative professional repercussions later on, should their superiors read the respondents’ responses (Vaivio, 2008, p. 73).

We have addressed this concern in our methodology, by designing our interview guide in a way that the responses are considered for their own intrinsic value, which allows us to not only take responses at face value, but to interpret and “read between the lines” of responses to our questioning. We also address the risk of only obtaining “official” viewpoints, by agreeing a degree of autonomy with respondents, in that although each interview is transcribed, these transcripts will not be published and discarded after the study. This allows respondents a greater freedom to speak openly without concerns of later being reprimanded specifically for comments made, which may not be in line with the organizations senior wishes to be communicated externally.

Furthermore it is important to note that within our theoretical framework we posit the concept of motivation is an individual phenomenon. Therefore in our questioning of management about the motivation of their staff, we acknowledge that we only obtain a one-sided opinion on the subject. If we were to interview directly subordinates, their responses may vary from the viewpoint of their managers, which is also in agreement with Vaivio’s (2008, p.75) previous conclusions. We recognize this limitation and make our conclusions accordingly by utilizing all the data collected, whilst retaining a degree of skepticism of respondents, to ensure we do not re-communicate what is wished by senior management to be heard publically, but also investigate holistically grass-roots opinions on phenomena. However, as the focus of this study is still centered largely on management issues, we feel that interviewing only branch managers is justified as they have the most insight on the concepts we aim to investigate in depth.

3.7 Ethical Considerations

When conducting research, ethical considerations to be taken into account are issues such as potential professional harm or reputation damage to the interviewee, arising from the conclusions of
the study. Other issues can arise from lack of informed consent, invasion of privacy or deception of participants. Having an awareness of the potential negative outcomes for participants can influence the approach taken in regards to confidentiality and anonymity. (Bryman and Bell, 2007, p. 132,134.) Since we take an ethical approach not wishing to damage the reputation of the interviewee and to respect their privacy before commencing each interview we asked permission to audio record the sessions before starting the interviews.
4. Findings

This section presents the findings of the interviews, using three different themes. After each theme is presented, the findings of both countries are summarized in a table to show the differences and similarities of the collected data.

4.1 Interview Results

In this section the interview results are presented through addressing three themes 1) local approach, 2) handelsbankers and 3) long-term perspective. The results for each theme will firstly be presented for the Swedish respondents followed by the results from the UK respondents. After the presentation of each theme for both the BMS and BMU the results will be compared with each other in the summary section, where a table is used to present the data.

4.1.1 Local Approach Handelsbanken Sweden

All of the respondents highlighted decentralization as a vital part of the organizational structure of Handelsbanken and two interviewees highlighted that the structure of Handelsbanken is extremely flat. All five BMS mentioned that there are only three levels in the bank, consisting of the BM who reports to the regional manager and then there is the CEO, Pär Boman. Two of the BMS also indicated that Handelsbanken has been decentralized in this way since the beginning of the 1970s, which makes it well established and everybody in the bank knows how it works. One of the BMS indicated that the structure is highly convenient and comfortable, since it keeps the focus on the business and not on the organization.

Two of the BMS mentioned the arrow as an important part of organizational structure in Handelsbanken. The arrow is demonstrated in figure 3 that shows that in the front of the arrow is the individual customer, and in the tip of the arrow is the individual branch serving the customer. The different specialists can be found further back in the arrow. Three of the BMS highlighted that the branches always work with the focus on the customer, the products are not sold just because of the fact to sell, they are sold because of the needs of the customer, and what he or she needs he or she should have and if a customer do not need a product he or she should not have it.

Figure 3: The arrow. (BMS Sweden)
According to one of the BMS Handelsbanken is a unique bank in its way to work and a highly developed company to work in, all the branches can be comparable with economic units, and it is similar to running an own business. Three BMS highlighted that the branch is the bank and that Handelsbanken is built around the branches, everything that happens inside the branch is the branch’s responsibility, the branch takes the decisions but it also has to account for the decisions. When asking about the decision-making in the branches, all of the respondents indicated that the BM have a sizeable authority, where they can make decisions up to some credit levels. One respondent also indicated that autonomy is a resource that managers in other banks do not have.

“…I have big authorities, or bigger authorities compared to my colleagues in other banks. It is about decentralization, we believe very much in each branch manager’s capacity to make the right decisions.”

BMS

Four of the respondents highlighted that the branches are only allowed to do business in the nearby area because they do not know the markets in other parts of Sweden. One BMS stated that the reason why credit losses in Handelsbanken are small is the fact that the branches are not allowed to do business with customers in other areas than their local market, and knowing the local market makes it much easier to do good business.

The local approach also means faster decision-making, especially credits, according to three BMS. Since the branch can make the decisions for lending up to certain volume it speeds up the process, instead of sending it further back in the arrow to get the decision. Two BMS also highlighted that when the decisions are not taken in the branch, they still work fast in order to get support from further back in the arrow and the people working there are extremely fast to get the decision made.

Three of the BMS said the availability and satisfied customers are factors that Handelsbanken focuses on a lot. One BMS highlighted that the employees need to be available 24 hours, which they also are, and if the branch is closed the staff need to be able to meet customers late in the evening if necessary. However, the employees are aware of the fact that they are not able to satisfy every single customer, some instances they have to decline a customer relationship and in that point it is important that the customer always knows why or why not Handelsbanken will have a customer relationship with the customer.

Two interviewees mentioned that the branches in Handelsbanken have an extremely strong position in the structure and culture of the bank and that makes the BM feel that he or she has more authority
compared to colleagues in other banks. One BMS stated that 90 percent of all the credit decisions are made in the branch, but when it comes to larger amounts, according to all five respondents there are the credit committee, which together with the branch manager decides if the credit should be approved or not. One BMS highlighted that the BM also has the authority to decide the level of the salary for the employees.

Two of the respondents also highlighted that the decentralization also means that the BM are given a lot of trust to do the right thing for the bank, since BM can decide almost everything, except large amounts of credit.

“In Handelsbanken we have a very big trust and believe in every branch manager in all levels, from how we deal with the employees, the clients, and the credit discussions and decisions.”

BMS

However, two respondents highlighted that the decisions must always come from the initiative of the BM. Also the employees in the branch have own decision limits, which means they can make decisions about customers up to certain limits. One of the BMS also highlighted that whether the employees can make decision by themselves or not, they always outwardly decide and then they inform the BM, although they might not always agree on the decision, the employees learn from the beginning to make their own decisions regarding customers. This process enables the employees to develop in a rapid pace.

All BMS indicated that it is easy to get in contact with the branches, since Handelsbanken does not have call centers the customers can directly call each branch and each employee working in the branch, so the localness to the customers is a difference compared to other Swedish banks. One respondent also indicated that additional to not having call centers, every branch has its own website.

“Each branch has their own website, we change the information on the website from our branch, what messages do we like to send to our clients for example.”

BMS

Two of the BMS also said that the customers of Handelsbanken feel that they get more attention compared to other banks, because of the large amount of branches, the bank is extremely close to the customers all over Sweden and because also bigger companies are taken care of in the branches instead of moving them to the central offices, although there are exceptions; the absolute biggest companies in Sweden are not taken care of in the branch but mostly all others are, and it is the
branch managers responsibility to give the right knowledge to the staff so they can take care of the customer.

When asking the interviewees what they think have been the main success factors when attracting customers from competing banks, four BMS highlighted availability as a central factor. Three BMS mentioned fast decision-making compared to competitors. Two respondents discussed the high level of service and the professionalism of the staff, and that the customers of Handelsbanken feel that they get more personal service and more attention than in other banks. The opening hours of the branches was also seen as a success factor when attracting customers by one respondent. One BMS also added that the good reputation of Handelsbanken has also been a factor, since Handelsbanken is seen as a secure bank as it has survived on its own through crises, and that is something that people are aware of.

4.1.2 Local Approach Handelsbanken UK

Four of the BMU indicated that Handelsbanken is utilizing a decentralized model of operations, focusing on autonomous local management and the subsequent positive outcomes associated with it. All five BMU discussed how it was evident that the decentralized model, allowed a unique local approach that was markedly different from retail banking market incumbents in the UK.

One BMU highlighted the church tower principle, when setting each branches catchment area, the branch should consider an imaginary church tower, in which if you were to climb to the top, all of your branches customers would be within view and customers outside of this view would belong to another branch. The BMU further explained that as the UK expands, the UK branches are following this concept more closely, by sub-dividing regions, into smaller catchments as new branches open.

Two respondents noted how they felt they had been endowed with a large amount of trust, in that the senior management trusted BMU’s previous experience and knowledge to allow BMU to make decisions and to run their branch at the lowest cost. One BMU also discussed how trust was higher than usual within the bank and came from the top down, being greater between senior management and staff.

All of the respondents spoke about how much they felt in control of their branch, in comparison to their previous non-Handelsbanken experience. Also it was commonly seen as the bank branch, felt as if it was their own business outright, in which they had a much greater, control overview and perspective of the bank branch, its operations, costs and customers than that of their previous career
experience. One BMU liked the business to that of a franchise type model, which felt similar to if the BMU was running an own business.

One BMU indicated that the decentralized model was operated at greater risk to senior management within the bank, rationalized by the complexity of today’s business world, combined with senior managements trust towards local managers. However, another BMU responded with the opinion, that the decentralized model reduces overall bank group risk, by allowing a greater propensity to spot local market opportunities, such as cost savings and business opportunities. Two respondents gave detailed examples on how the effect of lending decisions giving a local level, had the consequence of a greater diversification of the loan book across the wider organization and that this therefore reduced exposure across one or more venerable specific industries or sectors.

All five interviewees explained that the organizational structure in the UK operations is effectively separate regional banks, which in effect is its own “mini-bank” holding support functions for credit, audit, HR and legal support. It was evident from all five interviews that all BMU had the same reporting structure. All five BMU had accountability to an area manager. All five BMU has an area manager reported into a country manager, which then had direct contact with the Board of Directors in Stockholm. Three BMU discussed accessibility and clear communication channels, between these three levels of management. It was further discussed by two respondents that management was much more accessible than in previous positions respondents had worked in.

Four BMU responded that the autonomy and localized decision-making was well received by customers. It was explained explicitly and implicitly by all five BMU feedback from customers showed that the outwardly local focus of the branch was said to be a major factor when attracting new customers from market incumbents and that clear communication at a local level combined was discussed as a key advantage Handelsbanken had over its UK rivals. Three respondents quoted directly that their decentralized autonomy in practice meant that lending decisions were in the majority taken in branch. Three BMU stated that 95% of the credit decisions are taken in the branch.

“…approximately 95% of credit decisions are made in branches. […] I have full autonomy on pricing.”

BMU

All five respondents, when discussing customer acquisition, said that customers were largely frustrated with other UK banks levels of service and how other UK banks had poor communication,
combined with extremely slow decision making. Four respondents discussed how the ability to make quicker lending decision and to communicate them promptly was a key USP which customers valued.

Three of the respondents spoke about their previous experience within UK banks, in which their roles were greater embedded within silo structures and that this was contrary to the Handelsbanken structure. These respondents felt they had much greater autonomy and control, making decisions such as recruitment, pricing, customer acquisition and general branch management, such as premises and location.

“…for the first time in my career, I have the freedom to choose who I want to work with.”

BMU

All of the respondents discussed their autonomy, in regards to managing costs. One BMU detailed how the branch maintained a relatively low level of sponsorship or traditional advertising expenditure. Word of mouth advertising was directly cited by two interviewees as a tool used in customer acquisition. A strategy discussed by BMUs was when establishing a Handelsbanken branch from scratch in the UK, trust was first established with pre-existing key community members which themselves were in positions of trust, to attract customers through word of mouth. It was further elaborated on how gaining the approval, of important or trusted local figures was an effective tool spreading a positive reputation of the branches but without heavy advertising expenditure. One BMU likened these local community figures to “Google” in which people act as “Google’s” within a community, where people who have professionalism, respect, are asked for their advice or opinion on a variety of local issues. Three respondents stated that the local presence, combined with the autonomy of local staff, spotted opportunities quicker and allowed for greater cost efficiency. One BMU discussed how a BMU with a local knowledge, would know how to better serve their local market at a local cost, than a manager in a distant head office far away in Stockholm.

Four respondents stated that de-personalized communication and service by the other High Street banks was a key determinant in the acquisition of customers. One BMU stated that in the market segment within that specific branch positioned itself, customers wanted a local relationship and was willing to pay extra for it. Four interviewees discussed customer feedback which valued direct communication and consistency in speaking to the same person, each time they communicated with their branch. Honesty and transparency with customers was discussed by one BMU, whilst three BMU discussed how customers could speak with decision-makers that speed up communication
between parties. Four respondents stated that de-personalized communication and service by the other High Street banks, was a key determinant in the acquisition of customers. The lack of overseas call centers or forcing customers to phone automated telephone systems to answer queries was seen a positive element by the customers of three of the BMU that were interviewed.

“Customers don’t want call centers and certainly in the market we seek, they want local relationship and they are willing to pay for it.”

BMU

One BMU discussed a previous approach used, which was successful, when dealing complaints or disputes, in which the BM phoned the customer directly and the customer responded positively, as customers saw this as not being the norm within the UK.

4.1.3 Summary

To conclude we can state that the organization is seen as flat in both Handelsbanken Sweden and Handelsbanken UK, with three and four levels of management. The respondent in both countries highlighted that they feel that they are given trust.

Both BMU and BMS stated that the decisions are made fast, and 90-95 per cent of credit decisions are made in the branches. Furthermore there are no call centers and therefore customers feel that they get more attention in Sweden compared to other Swedish banks, and in UK the respondents highlighted the personalized communication.

Table 3: Summary of local approach.

<table>
<thead>
<tr>
<th></th>
<th>Handelsbanken Sweden</th>
<th>Handelsbanken UK</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Decentralization</strong></td>
<td>Three levels, extremely flat, economic unit, own business, the bank is the branches, trust</td>
<td>Four levels, own business, diversifying lending risks, trust</td>
</tr>
<tr>
<td><strong>Decision-making</strong></td>
<td>Fast decisions, own decisions, sizeable authority, 90 % of credit decisions are made in the branch</td>
<td>Fast decisions, decisions made locally, 95 % of credit decisions are made in the branch, autonomy</td>
</tr>
<tr>
<td><strong>Communication</strong></td>
<td>No call centers, customers get more attention than in other Swedish banks</td>
<td>No call centers, direct contact between staff and customers, personalized communication</td>
</tr>
</tbody>
</table>
4.1.4 Handelsbankers Sweden

A personal development plan is developed the first day an employee starts in Handelsbanken, according to one BMS, where the BM’s task is to take part in creating specialists and managers and to ensure they get the development that is suitable for every individual.

All of the five respondents indicated that the relationship with their staff is informal, one of the respondents highlighted that there does not exist any formalities between employees and managers in Handelsbanken. Two of the BMS emphasized that in Handelsbanken everybody work close to each other, and that the door to their office is open almost all the time. One of the respondents highlighted that in the respondent’s branch the BM and the staff are on the same level, however the BM has more experience since most of the staff are younger. Three of the BMS stated that the employees can easily come to the their office and ask for advice, but there exists a respect for the manager in some levels. One of the BMS said that having a good communication with subordinates on a daily basis is important, the topics can range from the employee’s development in his or her career to specific issues regarding the customers for the day, and that the BMS also tries to be a support in the long run to develop the employees.

When answering the question about what motivates the employees in Handelsbanken, all of the five BMS mentioned the Oktogonen, the bank’s profit sharing system. Although all of the respondents highlighted that Handelsbanken do not have bonuses, and that Oktogonen should not be called a bonus since it is a pension fund, it gives every employee in Handelsbanken the same amount, which means that the CEO gets the same amount as the front office staff. One BMS said that the Oktogonen is the biggest motivation factor in the long run, but also the fact that Handelsbanken is measured compared to other Swedish banks, motivates everyone to do a little better each day. Another motivation factor according to two BMS is that the branch is compared to other Handelsbanken branches, and that the branch wants to have better results than the other ones motivates and when the employees are proud they make good business, which leads to good results.

“…since we are measured compared to the other banks, it motivates you to do a little better each day.”

BMS

One BMS indicated that in other Swedish banks there can be found greater competition between the staff, whereas in Handelsbanken there is never competition between colleagues and there are never goals for the employees that they need to sell a specific amount of products during a month for example, since the focus is on the needs of the customers and having satisfied customers.
Two of the respondents indicated that the development that the staff gets in Handelsbanken and building a career in the company is a central part of the motivation in Handelsbanken, one of them emphasized the fact that the employees are more visible in Handelsbanken compared to other banks. Two of the BMS highlighted that Handelsbanken have never terminated employees due to redundancy and that makes the company unique. One of the BMS said that one feels really safe when working for Handelsbanken, and sometimes even too secure.

One BMS stated that before it was normal to stay a long time in the same company, but nowadays the younger generation is faster in exploring the world and might just want to work a few years on the same place and then move on. The BMS also added that in Handelsbanken the staff has all the possibilities to work in different areas, in the branch, as specialists or abroad.

“Everyone knows that the first year you are investing in yourself and you will get paid later if you are doing a good job, and no one is coming from Nordea or Swedbank to take your job you want to have in the future, so I think that is motivation enough.”

BMS

One respondent highlighted that all the managers that are employed in Handelsbanken have been working in the company before, so the staff do not have to worry that there will be somebody from another bank who will be recruited for a position they are aiming to advance to.

One of the BMS indicated that the corporate culture of Handelsbanken is about respect, which is respect for the employees and the customers. The BMS said that in Handelsbanken there is belief in the customers and the customers’ possibilities to develop both as private and corporate customer, and the same applies for employees, since there is belief in every person that is employed in Handelsbanken and that they have the opportunity and will to develop, learn more and to be skilled in what they do.

“… staff is one of the biggest owners in Handelsbanken […] when you are the owner you take more responsibility, you are feeling that if you are working a little bit harder, it helps me as an owner.”

BMS

One of the BMS stated that employees have to like to take a lot of responsibility and since the staff are one of the biggest owners in Handelsbanken through Oktogonen, and being an owner means that one takes more responsibility and it feels like that if one works a little bit harder it will help oneself as an owner. Also one of the respondents indicated that the branches normally want to recruit young persons, around 25 years old, newly graduated, so the persons can be molded to become Handelsbankers.
4.1.5 Handelsbankers UK

One BMU stated that what motivates that branch's specific team was that they all wanted to be successful, another BMU expanded on this to state that, that branch's specific team was motivated by their previous UK experience in which they were required to force products onto customers which they did not want, whereas at Handelsbanken they did not have this pressure and had the freedom to do what was best for the customer. Two BMU linked their own autonomy and the trust placed in them, to their own motivation, with one BMU stating, the trust and responsibility given was hugely satisfying. One BMU stated how he tried to empower every member of his team and install a culture of responsibility not only to himself as the boss but that even the most junior member of that branch's staff had the power to influence deals as they also had a responsibility to protect the bank.

Five BMU discussed each BMU specific branch's approach to recruitment and selection. All five BMU stated that they had recruited experienced, professional staff into each specific BMU branch team. One specific BMU when recruiting their team had searched for UK Banking experience, combined with local knowledge, with the aim of migrating existing key contacts and customers from their previous employers.

“…when we established this branch, I was looking for individuals with banking experience, so that I could say to local firms, that we had someone they knew, maybe someone with 25 years service at Barclays locally, initially just to give them that peace of mind and trust.”

BMU

A consequence noted by one respondent was that the autonomy given in regards to recruitment and selection, allowed them to choose the team independently, allowing a much greater fit and cohesion of personalities. This BMU believed this achieved greater efficiency in the BMU job as less time was wasted managing behaviors or trying to change behaviors of legacy staff, recruited by previous management, which now did not work in the desired way of the BMU. One BMU noted that, in a previous position with a UK bank the BMU had inherited a member of staff which did not meet his expectations in terms of quality and that 50% of the BM’s time was wasted, trying to change that individuals behavior, reducing their focus on their actual job as a BM.

Three respondents indicated that the motivation for their team came either from the knowledge of building a new bank in the UK or attempting to get their branch to a break even figure independently. One BMU highlighted that the motivation of that specific branch's staff was not focused on bonuses, but on the company's reward schemes, i.e. the pensions (Oktogonen) and share
scheme, was geared around people who would stay with the company long-term. All five respondents indicated that their teams did not have targets and were not paid bonuses. It was stated by two respondents that the younger members of their team had different motivation factors and that financial reward was a greater motivation factor for them. Another BMU discussed that financial reward was not motivating at all and that reward and recognition motivated the BMU’s team.

“…small branches are very efficient, they are very lean and mean, its been proven that because I know what’s going on and I know the market, we can be very quick to give decisions.”

BMU

All five respondents had branches, which consisted of teams with less than twenty persons. Three BMU discussed how small teams have a leaner cost base and that staff turnover is low. Four interviewees also indicated that maintaining small teams makes it easier to sustain long-term customer relationships.

“…when I interview (recruit) people, I have to consider if they are the right fit to be here in the long term or whether they will be here two or three years then disappear, as that is absolutely not what the clients want.”

BMU

One BMU discussed how every customer is introduced to the entire branch team. This BMU discussed that in order for personal service to be effective the BMU tried to keep the number of staff fewer than ten people, in order that customers could still remember them all personally. Another BMU also discussed how when the BMU recruited staff, the BMU had to consider, if they were the right fit to be there in the long term, as the BMU did not want staff leaving after only two or three years, as it was not what the customer wanted.

4.1.6 Summary

The motivation in Sweden was highlighted by all BMS as Oktogonen, the pension fund, but in both countries development and career progression was seen as a part of the motivation. Both BMS and BMU stated that they are given a lot responsibility, which motivates them. The BMU also discussed the fact that they were building a bank in the UK.

The relationship was seen in Sweden as informal and in UK as equal and close-knit teams. The recruitment was seen as a difference between the two countries, since BMS usually recruit graduates since they can then be taught the Handelsbanken way of doing business from early years, whereas in UK the experience of the candidates was a vital factor for the recruitment.
Table 4: Summary of the Handelsbankers.

<table>
<thead>
<tr>
<th></th>
<th>Handelsbanken Sweden</th>
<th>Handelsbanken UK</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Motivation</strong></td>
<td>Oktogonen, personal development and building a career, competition to other Swedish banks and to the other Handelsbanken branches, responsibility, autonomy</td>
<td>Culture, ethics, responsibility, pension fund, career progression, personal development, autonomy, building a bank, bench-marking</td>
</tr>
<tr>
<td><strong>Relationship</strong></td>
<td>Informal</td>
<td>Equality, close-knit teams</td>
</tr>
<tr>
<td><strong>Recruitment</strong></td>
<td>Graduates</td>
<td>Experience</td>
</tr>
</tbody>
</table>

### 4.1.7 Long-Term Perspective Handelsbanken Sweden

When asking the respondents whether they feel that they are working for the long-term or short-term goals of the company in their daily work, three of them answered the long-term goals while two of them said that they work for both short-term and long-term goals.

“…we don’t have short-term goals other than to take steps to the long-term goals.”

BMS

According to one of the BMS the branch works with operational plans on an annual basis, which are usually divided into six months at a time, because of the fact that the market is constantly changing that also applies for the branches’ environment.

Two respondents said that satisfied customers and low costs are the long-term basis in their work, although there are annual plans on what the branch should become better at or focus on depending on what is happening in the world or the environment close to the branch. One BMS stated that the reason why they are working for the long-term goals is the Oktogonen, but they also have shorter goals for the month or the year, because the aim for the branch is to have long and good relations, both with the employees and the customers, therefore the focus is on the long run.

“…we believe in very long relations, both with our employees, we like them to stay for a long time, many people stays very long in Handelsbanken, it is the same vision for the clients, we would like to establish very good and long relations…”

BMS

One interviewee highlighted that the employees are forbidden to sell products to customers who do not need the specific product; instead the short-term goals can be to increase in percentage in certain areas within the branch. Two BMS indicated that the focus is not on individual products; instead it is to try to meet as many customers as possible during a year, a week or a day. If the
branch succeeds in that and meets many customers and does good business, including doing more business with each customer, it will give a better result for the branch and for the whole bank in the end, therefore the main goal of the branch is to meet as many customers as possible and establishing good relationship with them.

“We never set a target for just selling certain products, because it depends on what is the best thing for every customer.”
BMS

According to one BMS it is important is to have long-term satisfied customers, therefore the annual goals of the branch always have a connection with the long-term culture of the bank. One of the respondents said that the branch can set short-term goals, for instance if they are not that good in selling credit cards, but want improve they can work extra hard for two weeks in order to increase the selling, although employees should never sell a card to a customer who does not need it.

4.1.8 Long-Term Perspective Handelsbanken UK

All five respondents discussed how they were focused on long-term relationship with both staff and customers. Two interviewees stated that they felt the Swedish senior management culture set the precedent for looking at things in the long-term, such as not setting short-term goals, as per their previous UK experience. Two BMU discussed a three to five years break even figure for new UK branches and that although budgets and targets did not exist, there was the general expectation that each branch would do better year on year.

“…in the UK we are very much at the quality end of the market, we are exclusively focused on long-term relationships.”
BMU

Three BMU stated they believed Handelsbanken is more successful, because it changes its business model less than its UK counterparts. Four respondents discussed how the business model of Handelsbanken had not changed in a long time. Two of the BMU discussed how the UK had adopted a US influenced sales focused banking model. Two interviewees discussed how in their previous UK experience, banks changed or tweaked their operating model every three to five years, sometimes co-incising with a new CEO or senior management trying to make a name for themselves.

“…in my experience the Swedes take a long-term strategic approach. They are not out for immediate results, they have a very mature approach to their business, they understand their business extremely well. The Handelsbanken model hasn’t really changed over the last 45 years, they understand it and they back it and they back it long-term.”
BMU
One BMU discussed how at the previous UK work experience, change within staff or procedures was seen as the answer to a variety of problems, but that Handelsbanken was contrary to this as the fundamental business principals have not changed and that the Swedish influence kept the model consistent for twenty or thirty years. One interviewee stated that the BMU was asked to set up a new branch and to build a business that was successful and profitable in the long run.

Two BMU discussed how the strength and history of the bank enabled BMU to procure lower lending costs. All five respondents directly or indirectly spoke about the strength and capitalization of the bank being superior to that of UK rivals. Two interviewees discussed how senior management took a long-term, proactive approach in response to legislation, which may harm the short-term profitability of the bank in exchange for longer-term gain.

“…Basel 3 comes in officially in 2015, but Handelsbanken is already running its business today to the requirements, now there is a cost to do that, because we have to have more capital, raise more capital and just having it sitting there, that you may not use in the business, which is a cost to us.”

BMU

Four respondents believed that the 2008 UK banking crisis was survived better by Handelsbanken, because they were better prepared and capitalized. Two BMU believed that the 2008 UK Banking crisis had in some aspects positively affected their business, as customers were disillusioned with competition and looking for alternatives. One BMU spoke of that although he believed the 2008 UK banking crisis had increased his customer acquisition rate, on the whole he hoped the other UK banks also recovered to stimulate the economy and improve his customers finances. Three BMU highlighted future challenges existing in that they expect some further churn within the banking industry as the re-privatization of the emergency nationalized banks occurs, as they seek to re-capitalize. All five respondents indicated that in the future competitors would look to copy elements of Handelsbanken’s success, but four BMU felt their model was difficult for current competitors to emulate.

4.1.9 Summary

The BMS stated that they have both long-term and short-term goals, while the BMU only mentioned the long-term goals. Both BMU and BMS highlighted the long-term focus of both employees and customers. In customer retention the number of sold products is not important, instead it is more important to have long-term satisfied customers.
Table 5: Summary of the long-term perspective.

<table>
<thead>
<tr>
<th>Goals</th>
<th>Handelsbanken Sweden</th>
<th>Handelsbanken UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term goals (monthly/six months time period), long-term goals</td>
<td></td>
<td>Long-term goals, breakeven</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Long-term focus</th>
<th>Handelsbanken Sweden</th>
<th>Handelsbanken UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long relationship with staff, long and good relationships with customers</td>
<td></td>
<td>Staff retention, long-term customer relationship, proactive response to legislation, reluctance to change operating procedures</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Customer Retention</th>
<th>Handelsbanken Sweden</th>
<th>Handelsbanken UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of sold products is not important, instead to have long-term satisfied customers</td>
<td></td>
<td>Putting customers needs first before sales figures, building reputation</td>
</tr>
</tbody>
</table>
5. Analysis

This chapter focuses on intertwining the findings with the theory in order to demonstrate the close connection between empirical evidence and emergent theory. The three themes; 1) local approach, 2) Handelsbankers and 3) long-term perspective, are analyzed separately.

5.1 Local Approach

All ten interviewees highlighted decentralization as an important part of Handelsbanken’s organizational structure. All BMS indicated that Handelsbanken has only three levels of management in Sweden, while all five BMU stated that there is four levels of management in Handelsbanken UK. All BMU indicated that the decentralized model of Handelsbanken UK allowed a unique local approach different from retail banking market incumbents in the UK. This is in line with Hofstede’s PDI dimension that states that Sweden scores lower than the UK, which would indicate that companies in Sweden have less hierarchical organizational structures and that the organizations are often decentralized compared to the UK where companies are usually centralized. Hofstede’s PDI dimension also implies that there can be found greater equality between the staff in Swedish companies compared to the UK.

The local approach which both BMS and BMU highlighted, means faster decision-making, since the majority of the credit decisions are taken in the branch. Such findings support the arguments of Wild and Wild (2012, p.319-320) that decentralized decision-making highlights the local responsiveness, and when decisions should be made fast, the organization should use decentralization instead of centralization. Wild and Wild (2012, p.319) argue that companies seek to use a combination of centralization and decentralization in order to gain the greatest efficiency and effectiveness, international companies usually centralize decision-making in certain geographic locations, while decentralizes in other aspects. This is not in line with our findings, which show that Handelsbanken uses decentralization throughout the organizational structure in both Sweden and the UK.

All BMS highlighted that the BM have sizeable authority, which means they can make decisions up to specific credit levels. Two BMS stated that the branches in Handelsbanken have an extremely strong position in the structure and culture of the bank and that makes the BM feel that he or she has more authority compared to colleagues in other Swedish banks. Also the employees have their own decision limits, which means they can make decisions about customers up to certain limits. All
BMU discussed how they felt that they are in control of their branch, in comparison to their previous experience in other UK banks. All BMU said that they have much greater control overview and perspective of the branch, its operations, costs and customers compared to their previous work experiences. Three BMU highlighted that in their previous experience working within UK banks their roles was embedded into silo structures, which is the contrary to Handelsbanken’s structure where the BM has greater autonomy and control, making decisions such as recruitment, pricing, customer acquisition and general branch management. This is inline with Hofstede’s MAS dimension, which shows that Sweden can be seen as a feminine culture, whereas the UK is masculine. This means that the Swedish companies are highlighted with equality, consensus and compromise and negotiation, whereas the UK is more success-oriented where inequalities coexist (Hofstede and Hofstede, 2005).

One BMU indicated that the decentralized model of Handelsbanken was operated at greater risk to senior management within the bank, rationalized by the complexity of today’s business world, combined with senior management’s trust towards local managers. However another BMU thought that the decentralized model reduces overall bank group risk by allowing a greater propensity to spot local market opportunities, such as cost savings. In line with the findings of Carlson and Mitchener (2006, p.1297) branching allows banks to spread out their loans and deposits over a broad geographical area or customer base, which stabilizes the banking systems by increasing diversification opportunities. Hofstede’s UAI dimension shows that Swedish companies usually use a more informal business practice, and the opposite can be found in the UK where a more formal business practice is used. In Sweden there is greater personal freedom, companies have a relaxed attitude to risk and Swedes think that there should not be more rules than necessary (Hofstede and Hofstede, 2005).

From our results we can conclude that Handelsbanken delegates authority to the branch managers in both countries, when other UK banks usually decide centrally. It is not only the branch managers that have authority, since the employees in the branches have their own decision limits, and they can make decisions about customers up to certain levels. Delegating power benefits managers, because it eases the work of managers and prior literature also shows that when delegation is adequately done it can lead to empowerment, which furthermore can lead to increased job satisfaction for the individual and repeatedly better job performance (Griffin, 2005, p.357; Schermerhorn, 2002, p.273).
5.2 Handelsbankers

Motivation that was derived from personal autonomy was mentioned by one BMS, and the majority of BMU, which discussed how they felt autonomy, was a key motivation factor in themselves and their staff. All of the BMU interviewed had previously worked for other banks, which they considered to be highly dictatorial and lacking autonomy, in comparison. We can assume that this contrast is visible to BMU and is therefore a motivational factor. This practice confirms to the work of Jones (2007, p.122) in that greater autonomy and responsibility given to managers does result in higher motivation. When discussing the management structure with both BMU and BMS it was evident that there was a lack of middle managers and a flat structure compared with other banks, or the BMU past work experience. We can therefore say that Handelsbanken also confirms to Jones (2007, p.122) work, in that motivation is stronger in flat organizations than in tall organizations. We found that the motivation that derived from the autonomous nature of Handelsbanken’s BM roles, tended to have greater impact with BMU, then that of the BMS. A possible explanation for this could be that the profile of the UK staff, who tended to have previous experience within other UK banks, results in that the BMU feel greater appreciation of the contrast between Handelsbanken’s autonomous, decentralized way of working compared to their previous work experience.

Ryan (1995, p.400) classifies bonuses as a form of extrinsic motivation, he further discusses how intrinsic motivation, is based on self-decision or motivating oneself. It was evident from all BMS and BMU that bonuses were not paid in Handelsbanken and from certain BM that autonomy i.e. self-decision was a core factor of their motivation. We can therefore posit that this motivation is intrinsic in nature in accordance with Ryan’s (1995, p.400) definition and that intrinsic motivation along with that of self-determination theory. According to the argument of Deci and Ryan, (2002, p.31) self-determination, the power to make decisions, is a critical factor in ensuring extrinsic motivation and that offering extrinsic rewards, such as bonuses, for behavior which is intrinsically motivated is generally counterproductive, making individuals less interested in outcomes. The theory of self-determination offers explanation why Handelsbanken is successful in motivating staff, by giving controlled autonomy, instead of bonuses and targets, which according to the respondents are more commonly used throughout both the UK and Swedish banking industry.

Hofstede and Hofstede (2005, p.142) discusses how individualistic achievement is more prevalent in British culture, than that of Sweden. This may suggest why the bonus culture is selected as a motivation tool within other UK Banks, with largely UK based senior management. However, Handelsbanken presence in the UK is significantly lower than in Sweden and the senior
management is largely Swedish or accustomed to Swedish culture. According to Hofstede and Hofstede (2005, p.96-97) Swedish culture has less likelihood to exhibit a “what’s in it for me” culture than the UK, which offers some explanation on why senior management in Stockholm, choose not to adopt the bonus system, which BMU discussed was commonplace within other banks in the UK.

Oktogonen, the bank's profit sharing system, was cited as being a major motivation factor by all five BMS and was mentioned by one BMU, as a tool that motivated staff in the long-term and encouraged longevity of service. Oktogonen is a pension fund investment vehicle, which pays out an annuity upon retirement. Therefore we can consider it as a long-term motivation tool, in line with Hofstede and Hofstede (2005, p.210-212) who classify Sweden as having a greater long-term approach than the UK. This is confirmed by our empirical data, it was clear that the Oktogonen had greater impact as a motivation mechanism with employees in Sweden, than their counterparts in the UK. We can further posit a correlation with the findings of Hofstede and Hofstede’s (2005, p.210-212), theory on long-term orientation. As it could be argued that the nature of Oktogonen, in which every staff, regardless of seniority, receives the same financial sum, appeals to the values within the Swedish cultures greater respect and alliance towards equality, as per Hofstede and Hofstede (2005, p.57).

Personal development and the opportunity for career progression was a theme, which contributed to both BMS and BMU responses, when discussing how they motivated their teams. BMS stated that they believed this was because staff was more visible in Handelsbanken, this was mirrored by BMU respondents, by their discussion of close-knit teams. This confirms to prior theory of Schermerhorn (2002, p.363), which states that personal development is an internal stimuli contributing to individuals level of motivation.

Two BMS stated that a mechanism used for motivation of branch staff, is that of internal competition. Branches are seen as competing business units, as each branch wants to achieve better results than other Handelsbanken branches it is benchmarked against. One BMS stated that this was a motivating factor for themselves and their staff as they compete collectively and try to do a little better each day. From this we can conclude that internal competition is a factor in motivating staff. This was also discussed by the UK respondents, as their branches in the UK are also benchmarked against other branches. From the research of Hofstede and Hofstede (2005, p.121) it is argued that the UK is more individualistic, therefore a UK approach would include internal competition within
teams, such as individual bonuses, however the structure used to benchmark at Handelsbanken is based on a more collective team, or branch, benchmarking approach, which shows that Swedish culture is in practice within Handelsbanken UK. We can assert this through examining how Swedish culture is still relatively individualistic, therefore the use of internal competition as a motivational mechanism is still used, but as Hofstede and Hofstede (2005, p.121) state Swedish culture is more collectivistic, this could be why the branch as a collective is benchmarked and not the individual.

The issue of responsibility arose in the responses of both BMS and BMU, one BMS discussed how staff took responsibility for the banks success and understood how through Oktogonen, they were effectively all owners of the bank. It was said that the feeling staff had of ownership, ensured staff to take greater responsibility for their actions and worked a little bit harder since it served their own interest as owners. The BMU discussed how the responsibility their staff had, was both a positive factor, in terms of customer retention and minimizing lending losses, but also that the entrepreneurial feeling of building a bank in the UK and independently helping it to break even, was effective in increasing motivation. Such findings are in line with the argument of Schermerhorn (2002, p.272) who state that when management assigns responsibility to subordinates, it in turn leads to empowerment, which leads to increased job satisfaction for the individual and repeatedly better job performance.

A common belief across all BMS and BMU was that branch management tried to ensure a less formal working relationship with subordinates. In both the BMS and BMU it was discussed how they strive for inclusion and equality between all staff members. BMS and BMU both discussed how even the youngest members of staff within branch, had power and their point of view would be heard equally. This practice confirms the research of Hofstede and Hofstede (2005, p.57) on power distance, which states that the low power distance in Sweden causes greater equality between management and subordinates. Hofstede and Hofstede (2005, p.56-57) also states that Swedish organizations have a greater likelihood to prefer a consultative management culture, in which many people are involved in the decision making process. These cultural traits, posed by Hofstede and Hofstede (2005) can be positive identified in Handelsbanken, as a Swedish led organization. It was further discussed by BMU how small-close knit teams were leaner, cost less to run and responded quicker to the local market. Furthermore we can posit that the informal relationships and greater equality between branch management and subordinates, confirms also to Hofstede and Hofstede's (2005, p.126) research that states Swedish management culture as highly feminine, a consequence
of which is that Swedish management strive for consensus, equality and non discrimination. This can be identified in Handelsbanken operations in both the UK and Sweden, in terms of equality, staff relationship and how easy managers are to approach. As previously stated Hofstede and Hofstede (2005, p.56-57) discusses the low power distance in both countries, which contributes to a close and easy to approach relationship between the BM and branch staff.

When discussing the profile of staff within Handelsbanken with the UK and Sweden, a variation was found. One of the Swedish respondents stated that the branches usually want to recruit young persons, around 25 years old, newly graduates, so the persons can be molded to become Handelsbankers. On the other hand in Handelsbanken UK, both BMU and branch staff, tended to be more experienced and search for experienced staff. For example from our dataset of five BMU, all were highly experienced and professional, the least experience of all five interviewed, had 26 years experience in the UK banking industry previously to joining Handelsbanken. If we look at why this profile exists, we must examine how Pucetaite et al. (2010, p.201) discusses how trust and autonomy are interlinked. The structure in the UK requires BM to make a wide variety of decisions, from recruitment and salary to pricing and customer acquisition. In line with the research of Pucetaite et al. (2010, p.201) it can be said that a large amount of trust is required from senior management to BM. Senior management require the BM to not act purely in self interest but trust them to process decision-making with the intention of those actions being conducive to a benefit of mutual outcome for the bank. This is in line with the argument of Pucetaite et al., (2010, p.201) which discuss how trust is required to have belief or confidence in the reliability, ability or truthfulness in another person to look after or perform a process with the intention of those actions being conducive to a benefit of mutual outcome.

We can further expand on this reasoning for a more experienced profile of BMU, due to the newness of the bank in the UK. As Handelsbanken is a relatively new entrant to the UK and such is still growing in profile, it can be said that by recruiting experienced customer-facing branch managers, this also helps to build trust and credibility between customers and the bank. One final aspect in which we believe is a factor in recruiting experienced staff was explained by one BMU, was that by employing locally experienced staff, it was possible that the existing relationships that individual had formed in previous experience, such as the networks, contacts and customers, migrated with the member of staff to Handelsbanken, which served as a effective low-cost strategy for acquiring quality customers.
5.3 Long-term perspective

In terms of corporate goals, there are both short-term and long-term goals according to all of the BMS. However all of the BMU stated that the branches do not have targets and that the focus is on building long-term relationships with both staff and customers. Two of the BMU felt that the Swedish senior management culture set the precedent for the long-term focus, by not setting short-term goals.

One of the Swedish interviewees indicated that Handelsbanken believes in really long relationships, both with the employees and the same applies for the customers, since the branch want to establish extremely good and long relations with both. In line with Hofstede and Hofstede (2005, p.210-212) Sweden scores higher on the LTO dimension compared to the UK, indicating that in Sweden there is a strong respect for traditions and on the long-term return on resources employed. In Sweden there is also less hesitation to introduce changes, whereas in the UK companies are focused on quick results in short time periods and business is concentrated on short-term goals. According to Hofstede and Hofstede (2005) the organizational planning in the UK is not detail-oriented and also the planning horizons tend to be shorter than in Sweden.

Two BMU indicated how in their previous UK work experience, banks changed or tweaked their operating model every three to five years, and change was seen as the answer to variety of problems, contrary to Handelsbanken that has not changed its fundamental business principal since 1970s and the Swedish influence has kept the model consistent. Such findings reflect the argument of Hofstede and Hofstede (2005, p.210-212) that the UK companies have greater focus on short-term return and are more likely to introduce more frequent changes, as there is a greater impatience for achieving quick results. The majority of the British respondents believed that Handelsbanken is more successful; because it does not change its business model as often as the UK counterparts.

We can conclude that Handelsbanken has been influenced by the Swedish national culture, while taking a more long-term approach to its business, and implementing its approach in the UK. From the results we can find out that the UK branches seem to work with the long-term mindset instead of a short-term focus as is seen as the norm in other UK companies. Handelsbanken has succeeded in implementing the long-term mindset on the branch managers in the UK, who are usually experienced and acclimatized to a short-term mindset.
6. Conclusion

This section answers the research questions stated in the first chapter. Furthermore, it gives managerial, societal and theoretical implications and suggestions for further research.

6.1 Answering the research questions

1. How do Handelsbanken implement its local approach in the UK?

From our findings we can state that Handelsbanken has applied a standardized approach in the UK replicated from its domestic market in Sweden. According to the interviewed branch managers in both the UK and Sweden, Handelsbanken’s organizational structure can be described as decentralized, where the branches are given a high level of responsibility.

We can confirm Hofstede’s and Hofstede’s (2005) prior research into the UK culture and that organizations in the UK are largely hierarchical, centralized, led from the top-down, whereas Swedish companies are more likely to be decentralized. The British branch managers indicated that the UK banking industry is largely hierarchical with centralized decision-making. However, Handelsbanken has not been adapting to the national culture of the UK, which is usually seen as more centralized and Handelsbanken is instead using the same management approach as in Sweden.

Handelsbanken has implemented its local approach in the UK by giving authority to the local branches, to both the branch managers and the subordinates. The branch manager has control over a wide number of decisions, such as recruitment, lending, salary setting, the premises of the branch and customers. Bank managers only require further approval on the largest lending decisions in five to ten per cent of cases. Our research concludes the outcome of this is fast decision-making, better communication, high customer satisfaction and high job satisfaction for employees.

2. What motivates the employees of Handelsbanken Sweden and Handelsbanken UK?

In our research we found several key factors, which affected the level of motivation between staff. These factors can be considered both as extrinsic and intrinsic motivation mechanisms, in line with the theory of Schermerhorn (2002). According to all of the Swedish branch managers, as Handelsbanken does not pay bonuses, the pension fund Oktogonen was instead seen as a central extrinsic motivation factor for the employees. For younger employees the fact that they have the possibility to develop and build a career in Handelsbanken was seen as a major intrinsic motivation
factor. It was evident from UK interviews that Oktogonen was also seen as a motivation mechanism for staff but to a lesser extent than Swedish counterparts.

Another factor that motivates the employees intrinsically in both Handelsbanken Sweden and Handelsbanken UK is the decentralized model, or more specifically the greater autonomy, trust and responsibility, which are direct resultants. In line with the argument of Jones (2007, p.122) greater autonomy and responsibility results in higher motivation for employees. We found this prevalent in both countries, however the UK seemed to have a higher motivation effected directly by increased autonomy. We believe this is because the staff profile within Handelsbanken branches in the UK is largely of experienced professionals, which have previous UK banking experience and so are able to clearly see a contrast between the banks culture. On the other hand, we found a variation between the profiles of staff in Sweden and the UK, as the Swedish respondent stated that they were more likely to take on young and inexperienced staff, enabling them to build the experience and mold the employee into a Handelsbanker.

3. What are the corporate goals of Handelsbanken focused on?
From our findings we can state that Handelsbanken Sweden has both short-term and long-term goals. However, all of the BMS highlighted that the short-term goals are never about selling certain products to customers; instead it is about building relationships with customers. The long-term goal of the company is to have long-term relationships with both the staff and the customers. Frequently in Handelsbanken UK recruitment strategy is to recruit a branch manager to establish a branch with the aim of being profitable in the long-term, this prerequisite influences how branch managers recruit their team, as all processes are geared around longevity and a long-term service within the bank. Handelsbanken managers in both countries understand that establishing a relationship and only maintaining it in the short-term is not the most profitable way of doing business, therefore this is why customer acquisitions and retentions are focused on the long-term perspective.

We can conclude that Handelsbanken has been influenced by the Swedish national culture, while taking a more long-term approach to the business, and implementing this approach in the UK. From the results we can find out that the UK branches seem to work with the long-term mindset instead of a short-term focus as is seen as the norm in other UK companies according to the arguments of Hostede and Hofstede (2005). Handelsbanken has succeeded in implementing the long-term mindset on the branch managers in the UK, who are usually acclimatized to a short-term mindset.
6.2 Managerial, societal and theoretical implications

From our research we can state in line with previous theory, that companies that wish to speed up decision-making processes, should align themselves with a more decentralized model.

Once Handelsbanken is fully established in the UK, the recruitment of staff should be shifted to the Swedish approach to recruiting more young people instead of predominately recruiting employees with long experience from the banking industry. That will ensure that Handelsbanken is able to install its values in a next generation of employees and keep its local approach unchanged. Other organizations that are using centralized decision-making could benefit from understanding that decision-making can be done closer to the customers and that it benefits both the customers and the company in the long run.

The implications for society could be over time a greater convergence of culture between the UK and Sweden. Organizations, which identify how Handelsbanken uses its decentralization as a key differentiator to overcome deep routed problems, such as slow decision-making, poor communication and de-motivated staff, could replicate the strategy, utilized by Handelsbanken, in other service based industries, outside of the banking field. Further societal implications could be that by identifying Handelsbanken success, through not adapting to local culture, could mean in the future that UK firms doing business outside of their domestic market, by exporting their own UK culture to other international markets, could then differentiate themselves from competitors.

Our research was seen to be in line with the cultural dimensions stated by Hofstede (2010) about Sweden and the UK. Sweden can be seen as a more long-term oriented country, and in Handelsbanken the national culture dimensions of Sweden could be found in both Sweden and the UK. It would be interesting to research Handelsbanken’s other home markets and see if the national culture is affecting the way Handelsbanken is doing business, or if all home markets are using the same cultural mindsets as the Swedes.

6.3 Critical reflections of our study and suggestions for further research

This research was limited to cover Handelsbanken Sweden and Handelsbanken UK, although it would be interesting to include more of Handelsbanken’s home markets that are Finland, Denmark, Norway and the Netherlands, in order to compare the countries with each other. Furthermore, this study included ten interviews in certain regions in both the UK and Sweden; the study could be broadened to cover all or more areas of the countries. Furthermore, it could be said that from our
conclusions drawn, which touch upon, local business approaches, motivation, staff profiles and strategic long-term orientation, that each of these themes in itself are wide areas of potential research and each in turn could be the focus of further specific detailed studies. We conclude upon how, within our study UK Bank managers, staff motivation was achieved through increased comparative autonomy, however further research could be conducted to include subordinates to investigate how viewpoints on motivation differ between staff and management.
References


Appendices

A. Interview Guide for the Swedish interviewees

Background
1. Tell us about your previous background before Handelsbanken?
2. How long have you been working for Handelsbanken?

Organization
3. What is the organizational structure of Handelsbanken?
4. How would you describe Handelsbanken’s corporate culture?
5. Do you think the way Handelsbanken does business differs from other Swedish banks?

Branch and Decision-making
6. How are decisions made in your Handelsbanken branch?
7. What type of decisions are made locally within your Handelsbanken branch?
8. What type of things are available for you that might not be available to other bank managers?
   (training, centralized specialist advice…)

Employees and Staff
9. How would you describe the relationship between the managers and the employees? (Informal, formal…)
10. Is there a bonus culture within Handelsbanken or how do you motivate your staff?
11. What competencies do you search for when recruiting new employees?

Customers
12. What is your biggest target market for customers and why?
13. How do you think your customers may see you differently from competitors?
14. What has been the main success factor in attracting customers from your competitors?
15. What factors contributes to Handelsbanken consistently high ranking within customer satisfaction surveys?

Past, Present and Future
16. Do you think that the financial crisis of 2008 affected Handelsbanken?
17. In your daily work, do you feel that you are working for the short term or the long-term goals of the company?
18. What challenges do you see in the future?
B. Interview Guide for the UK interviewees

**Background and Organization**
1. How long have you been working for Handelsbanken?
2. Do you feel that you are working for a Swedish company? If yes: How?
3. How much influence does the Swedish management have over Handelsbanken UK?
4. What is the Organizational structure of Handelsbanken?
5. How does Handelsbanken’s corporate culture contrast with British Business culture?
6. Does the Banking model followed by Handelsbanken differ from the Anglo American model?

**Branch and Decision-making**
7. How does your branch rank within the Organization as a whole?
8. How are decisions made in your Handelsbanken branch?
9. What type of decisions are made locally within your Handelsbanken branch?
10. What is the main difference in your role as branch manager than to that of other high street banks in the UK?
11. What access to resources do you have which may be unique to Handelsbanken?

**Employees and Staff**
12. How would you describe the relationship between the managers and the employees?
13. Is there a bonus culture within Handelsbanken and how do you motivate your staff?
14. What competencies do you search for when recruiting new employees?
15. Is there a English HR Team? Do you know if there is standardized or localized Terms and Conditions for UK and Swedish Employees?

**Customers**
16. How do you think your customers may see Handelsbanken differently from rivals?
17. What factors contributes to Handelsbanken consistently high ranking within customer satisfaction surveys?
18. What has been the main success factor in attracting customers from your rivals?

**Past, Present and Future**
19. How do you feel the banking crash of 2008 affected your business?
20. In your daily work, do you feel that you are working for the short term or the long term goals of the company?
21. What challenges do you see in the future?
C. Swedish and UK branches included in the study