A cultural perspective on leadership to face challenges with agile methods

A case study in the Nordic Banking Industry

ROBERT BOJS
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by

Robert Bojs
Ett kulturellt perspektiv på ledarskap för att bemöta utmaningar med agila metoder

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Robert Bojs

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Examiner Johann Packendorff
Supervisor Erika Lokatt
Commissioner SEB
Contact person Edwin Luppert

Abstract

This paper explores the ideas of culture and leadership as a unified phenomenon and a means to face challenges caused by implementing new ways of working in knowledge intensive organizations. By creating a supportive culture and trusting in employees, managers can give decisive authority to employees, which will increase motivation, and enable managers to focus on strategy and vision. The research was conducted as a case study at one of the larger Nordic banks. The findings suggest that a cultural perspective on leadership can be used to increase motivation, and help understand the challenges of complex organizations.

Key-words
Cultural leadership, Agile methods, Motivation, Organizational culture, Leadership, Knowledge Intensive Organization.
Sammanfattning

Den här uppsatsen utforskar idéer kring kultur och ledarskap som ett gemensamt fenomen och som ett verktyg för att bemöta utmaningar som uppstår då nya sätt att arbeta implementeras i kunskapsintensiva organisationer. Genom att skapa en stödjande kultur och genom att låta de anställda kan chefer beslutande ansvår för de anställda, vilket kommer öka motivationen bland de anställda samt ge cheferna mer tid till att fokusera på att utveckla strategi och vision. Forskningen utfördes som en case-studie på en av de större nordiska bankerna. Slutsatserna i den här uppsatsen pekar mot att kulturellt ledarskap kan användas som ett verktyg för att öka motivation, och för att förstå och bemöta the utmaningar som uppstår i komplexa organisationer.

Nyckelord
Kulturellt ledarskap, Agila metoder, Motivation, Organisationskultur, Ledarskap, Kunskapsintensiv Organisation
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1 Introduction

1.1 Background

Theories on leadership have been studied for many years, and the idea of "good" leadership is constantly changing as the theories progress. As described by Bass (1990), traditional research primarily focuses on leadership as a separate entity from the rest of the organization. However, this is an over-simplification as leaders are involved in and are affected by everything that happens in the organization. Crevani et al. (2015) explain leadership and its culture as inseparable from the daily work of organizations. Thus, in order to progress the research on leadership theories it has to be combined with a perspective on culture.

As organizations grow more complex and work becomes more knowledge intensive, it becomes harder to understand how to approach the idea of leadership. (Alvesson and Sveningsson, 2003) The banking and finance industry is a good example of how traditional organizations are challenged in the modern era of digitization and technology. The growing number of FinTech startups are challenging the larger, traditional firms as they are more agile and can adapt to the market quicker. The banks are forced to become more agile themselves, which is certainly non-trivial and creates many challenges.

Agile methods started in the software industry and proved successful for many of the Tech-giants we see today, e.g. Spotify and Facebook. Since almost every industry is becoming increasingly reliant on software development and technological solution, the agile methods of working are spreading. However, agile is not just a set of methods to follow. It is, as described by Rigby et al. (2016), a way of living, heavily incorporated in the culture of an organization. Furthermore, the role of leaders in agile organizations quickly becomes complex, and diverges from the traditional notions of leadership. By introducing new work methods both managers and employees have to adapt to new roles, which especially changes the way managers have to think to be able to adapt to the change. (Hanna and Bethzazi, 2018)
The importance of culture is a common denominator in both leadership theories and in agile methods, yet it is often neglected in both cases. The question is then if a cultural perspective on leadership could help identify and face challenges that arise when trying to implement agile methods in an organization that is not the usual suspect for that type of work method.

1.2 Problem formulation

Introducing and implementing new work methods in a rigid organization creates challenges, especially when said methods require adapting both culture and leadership. In knowledge intensive organizations (KIOs) the most important asset is the actual people working there, thus culture becomes extremely important. It can be problematic for leaders when trying to introduce new methods and a new vision of what they want to achieve. Leadership theories neglects the interplay between leadership and culture and it becomes a problem when trying to solve challenges that arise when implementing new work methods.

1.3 Purpose

The purpose of this research is to identify challenges with implementing agile methods as a new way of working, and analyze if a cultural perspective on leadership can help overcome these challenges.

1.4 Delimitation

This research is focusing on culture and leadership in the context of knowledge intensive work in the banking industry. Other industries or knowledge intensive settings is outside the scope of this research.

1.5 Contributions

Studying leadership from a cultural perspective is the primary contribution this paper brings to current research frontier.
1.6 Readers guide

In Section 1, Introduction, the background and problem formulation is presented. This is followed up by a definition of the purpose of the research. Delimitations and contributions of the research is also presented.

In Section 2, Literature Review, the existing and most relevant literature is reviewed. It starts off with an examination of current leadership theories and perspectives on culture. Subsequently, definitions of agile and challenges with the method is presented. Following is a review on motivation in the context of knowledge intensive organizations. The Literature Review ends with an presentation of framework, based on the existing literature and theories, which will be used throughout the research.

In Section 3, Methodology, starts of with a presentation of the knowledge intensive setting, the bank, in which this research is conducted. Following that is a presentation of the approach and design of the research. The credibility, generalizability, and ethics are discussed followed by and explanation of how the research was conducted and how empirical data was gathered and analyzed.

In Section 4, Results, the empirically gathered data from the interviews is presented. The framework developed in the literature review is used to give structure and meaning to the presented results.

In Section 5, Analysis, the empirical results are analyzed by using the framework from the literature review. The purpose is to contextualize the findings from the interviews with existing theories and literature.

In Section 6, Discussion, the findings from the analysis are discussed in a broader context. Based on theories from the literature review, possible actions to overcome the found challenges are discussed.
In Section 7, Conclusion, the purpose is to summarize the findings and present them in regards to the purpose of the research. A description of possible further research, building on the findings in this research, concludes this section.
2 Literature review

In this section, theories on leadership and culture are presented, as well as an overview on agile methods. Theories on motivation are also reviewed in order to enable a more meaningful discussion later on.

To work towards the purpose of this thesis, an extensive literature review has to be conducted. Firstly, cultural leadership and other perspectives on leadership is presented. Secondly, agile methods and principles have to be researched and understood. Lastly, motivation and motivational theories are explored in order to provide a means to understand how employees are affected on a more personal level, and to understand how this might affect the organization.

2.1 Leadership-culture connection

2.1.1 Ambiguity of leadership

In the article by Alvesson and Sveningsson (2003), the authors analyze leadership in a knowledge intensive setting by focusing on the ambiguity of leadership. They do not aim to categorize types of leadership, instead they focus on how managers should position themselves and their work. By looking at leadership from three moral and aesthetic positions: good, bad, and ugly, the authors conclude that leadership is more fluid and requires constant repositioning. Furthermore, the general understanding of what constitutes good leadership is that it is proactive and provides support in an indirect manner. Good leaders focus on vision and strategies without being directly involved, or micro-managing. (Alvesson and Sveningsson, 2003)

Even if it is conceptually easy to define what good leadership should strive to be, when put in practice challenges arise for leaders as it is often hard to take a solely strategic role. Leaders often have to be involved in practical tasks and assist employees in their projects. This creates ambiguity for what leadership should be. (Alvesson and Sveningsson, 2003) However, it is not only leadership
that is ambiguous, the work in knowledge intensive settings is also highly ambiguous in itself. Evaluating projects and deciding how to execute them are often times hard or impossible. The authors argue that conducting work or research in a highly ambiguous setting undermines the essence of leadership. For a leader to create a consistent environment in an ever-changing setting is confusing. Therefore, leadership can not be seen as a constant essence, it has to change and adapt as time progresses. (Alvesson and Sveningsson, 2003)

Leadership does not deal with ambiguity as much as it is an example of it or even produces it. Alvesson and Sveningsson (2003)

From the research by Alvesson and Sveningsson (2003), four challenges for leadership in KIOs are found to be:

- The ideas of managers around leadership appear to be vague, disconnected and of uncertain relevance for their work. Managers in large companies are to some extent caught between two forces: focusing on strategy and vision, and being involved in practical and administrative demands.

- Contemporary ideas of leadership seem to have limited impact on organizational practice, but play other roles, e.g. offering material for identity work and legitimation.

- Managers making sense of themselves and their work situation do so partly by formulating different moral positions, partly guided by leadership discourse. Self-location in the ‘good’ position does not prevent people from practising something more like the ‘bad’ position, throwing further doubt on the significance and meaning of ‘leadership’ in organizational practice.

- Although seemingly contradictory, managers separate the positions of good leadership from bad management to the extent that they sustain the image of being leaders. The good leadership can be seen as an image of comforting language drawn upon occasionally, having implications for the identity work of its subjects. But
as this image is at odds with a great deal of managerial work and perceived contingencies of bureaucracy, it leads to temporary, fragmented identity constructions with weak implications for behavior.

In summary, good leadership is easy to define conceptually yet it is hard to carry out in practice. KIOs are complex structures and leading such an organization involves ambiguity.

2.1.2 Traditional view on leadership

Traditional leadership research often describes transactional and transformational as the main styles of leadership and compares them against each other. Transformational leadership is described as more compassionate and is usually the favorable choice for managers, whereas transactional leadership is more stoic and leads by a carrot-and-stick approach. However, it often neglects other factors which often affect how leadership is perceived and conducted. In other words, it is not enough to only focus on managerial tactics or ideas when analyzing how organizations function. (Bass, 1990)

This view on leadership, as a separate entity that can be described and executed without a cause and effect relation with the organization it is conducted at, is in a sense a simplified perspective. In order to understand how leaders exist in the actual context of an organization one has to look at leadership from a different perspective, namely how it exists and is affected by the culture of an organization.

2.1.3 Cultural perspective of leadership

Organizational culture is an area, explored in some research, which greatly influences how leadership is perceived and carried out. The focus of research in this paper is the leadership-culture connection which is why previous research on the topic has to be analyzed.

In the paper by Crevani et al. (2015), the authors focus their attention on leadership cultures in higher education reforms. Their primary findings are
that hybrid leadership cultures emerge through confirmation, reformulation, and rejection of discursive influences. The essence of their research is the view on leadership as a cultural phenomenon. In the article, the authors also conclude that in traditional leadership theory, leaders are represented as strong, masculine characters. An alternative perspective on leadership is that the focus should not be on one person, it should instead be on everyone involved. Leadership emerges from the culture it exists in, thus it is more beneficial to analyze cultural leadership and how it conceptualizes. Through this perspective one can see that in order to improve leadership, the culture has to improve, and vice versa.

Another study, Block (2003), researches the correlation between leadership style and employees perception of company culture. This study is more focused on traditional leadership styles and theories, although with the connection to how these styles improve or diminish employees perception of culture. The findings show that high levels of transformational leadership is correlated with high perceived levels of mission, adaptability, involvement, and consistency in the organization compared to the transactional counterpart. Their study also finds that immediate supervisors greatly influence employees perceptions of culture, which implies that leadership is strongly connected to culture. From this research it is clear that cultural leadership is a critical competency requirement for organizations.

Ogbonna and Harris (2000) show through their research that organizational culture is important as a mediator between leadership and firm performance. This research introduces yet another dimension to the leadership-culture connections, which is performance. This is more used as a valuation parameter to quantify how successful leadership styles are. This suggests that leadership and culture creates a self enforcing cycle, as a positive culture creates enables better leadership which in turn reinforces a positive culture.

When it comes to leadership in KIOs, there has been some research in this area. In the book by Svenningsson et al. (2009), the authors look at leadership in terms of supporting and delegating, which they argue is of out most importance in this setting. The leadership in knowledge intensive organizations should be
supportive, developing, and renewing. Since employees are used to working on their own, and as said before, and find intrinsic motivation in the work, they require steering instead of being led. (Alvesson, 2000) (Svenningsson et al., 2009) Supportive leadership should be about developing strategies and steering the organization towards the vision and goals.

2.2 Organizational culture

Understanding culture is an essential part in understanding how organizations work. As described by Alvesson and Svenningsson (2003), Ogbonna and Harris (2000), and Block (2003), leadership is strongly connected to culture in that it both affects and is influenced by it. There is extensive research on the topic of organizational culture, how to analyze and categorize it. However, in this thesis the focus is not on what type of culture exists rather attempt to understand what factors are important for understanding culture. The underlying factors that influence culture are are, arguably, more important to understand in the context of leadership and the asserted ambiguity surrounding it.

Ravasi and Schultz (2006) describe two opposing perspectives on culture, the social anchor perspective and the social constructionist perspective. In the social anchor perspective culture is identified as institutional claims available to members regarding central enduring and distinctive properties of their organization. The social constructionist perspective, on the other hand, views culture as commonly held beliefs and understandings about central and relatively permanent features of an organization. The difference being that the first perspective argues that culture is defined by the organization, whereas in the second perspective the culture is created from the shared understandings of its members.

If one takes the social constructionist perspective, one can further analyze culture by attempting to understand the underlying assumptions and values that members hold. Schein (2010) has developed a model of viewing culture as a three level construction. The model consists of artifacts, espoused beliefs,
and underlying assumptions. Artifacts are observable features of culture, e.g. behaviour and dress code. Espoused beliefs are seen as the values and goals an organization attempt to reach. Underlying assumptions are what members of a culture take for granted, which does not manifest itself in something observable. The underlying assumptions are, according to Schein (2010), the essence of culture as they develop through experience. They might also directly contradict the espoused beliefs that an organization holds.

2.2.1 Subcultures

Another important take on culture is the development of subcultures within an organization. One example of this is the way executives and managers develop their own culture within the company, known as executive subculture. The concept is interesting because it explains how managers are often knowledgeable and skilled within their area of expertise, which is why they are promoted in the first place.

However, managerial work is different from the technical role as it involves more strategic thinking and higher level decisions. This can cause managers to feel alienated, or feeling a loss of touch with the organization. As the departments they manage grow it becomes increasingly difficult to stay involved in the "day to day" business. Many managers find it hard to let go of this control. (Schein, 2010)

2.3 Agile work

Agile development is a development method that relies on self-organizing and cross-functional teams with a heavy focus on the customer. The ideas of Agile are presented in the Agile manifesto Agile-Manifesto (2001), and is often presented as 12 principles. This way of working has gained popularity during recent years and successful IT and software companies, e.g. Spotify and Google, are often used as good examples of Agile. It follows naturally that these companies and their implementation of Agile are copied by others looking to integrate
Agile ideas in their companies.

Agile is the umbrella term for a number of actual ways of working, e.g. SCRUM, Extreme Programming, Lean Development. During this research the focus and meaning of Agile methods is primarily focused on the collective term when discussing general concepts and theories. When department or company specific Agile methods are mentioned it refers to the implementation of Agile All In, which is the bank’s specific adaptation of Agile methods.

2.3.1 Principles of Agile

The twelve principles of Agile, from the manifesto Agile-Manifesto (2001), are as follows:

1. Customer satisfaction by early and continuous delivery of valuable software
2. Welcome changing requirements, even in late development
3. Deliver working software frequently (weeks rather than months)
4. Close, daily cooperation between business people and developers
5. Projects are built around motivated individuals, who should be trusted
6. Face-to-face conversation is the best form of communication (co-location)
7. Working software is the primary measure of progress
8. Sustainable development, able to maintain a constant pace
9. Continuous attention to technical excellence and good design
10. Simplicity, the art of maximizing the amount of work not done, is essential
11. Best architectures, requirements, and designs emerge from self-organizing teams
12. Regularly, the team reflects on how to become more effective, and adjusts accordingly

2.3.2 Embracing Agile

In the paper Embracing Agile, Rigby et al. (2016), the authors research how successful Agile work ways are in a variety of companies, and they present...
six crucial practices that leaders of such companies have to adopt in order to be successful. From their research they find that most managers don’t fully understand the concepts of Agile, and in many cases this leads to poor implementation. The six practices they advocate are meant to provide guidance for managers, to make Agile understandable.

The six practices they present are:

1. Learn how agile really works.
   Research shows that most managers don’t understand the concepts of Agile and instead associate it with anarchy where everyone is allowed to do whatever he or she wants to. By learning about Scrum, Lean, and Kanban managers develop a deeper understanding of Agile and are therefore able to implement it better. The focus should remain on the team, and managers are discourage to micro manage and instead put their trust in the process.

2. Understand where agile does or does not work.
   Agile methods are commonly implemented in software development companies or departments, there are also many other instances where Agile could be valuable. However, one has to be mindful when deciding to implement Agile. Agile requires training and behavioral change, managers have to decide if a the potential payoff is worth the transition. In some situations Agile is simply unfavorable, which has to be considered as well.

3. Start small and let the word spread.
   By looking at successful implementations of Agile, it appears that the best way to implement Agile is to start small in departments that might already be familiar with the concepts. From there, if successful, the word is likely to spread to other departments and teams. The original practitioners act like coaches, which is better than having transitions to Agile forced upon departments from top management.

4. Allow ”master” teams to customize their practices.
   Agile methods can take be hard to implement and good practise is to use basic methods that have been proven to work. However, when a team is comfortable with using agile it is often good to morph the methods in order to better fit
the department and its teams. When a team masters agile they can change the methods, although, a change in methods has to be well-founded and it is important to track results. As long as changes still improve the product or customer satisfaction they should be implemented, but as soon as changes in the agile methods doesn’t improve the work that is being done they should be scrapped.

5. Practice agile at the top.
Managers of departments that practice agile methods are often unfamiliar with the concept, and do not, themselves, work in agile ways. Research shows that managers have plenty to gain by starting to work in agile ways with other departments, often times different departments are set up like silos with little cross-collaboration on a managerial level.

6. Destroy the barriers to agile behaviors.
Even if agile methods are being implemented in a department, there are several barriers that can reduce the chance of success, and ultimately neglect the potential gain from being agile. The authors list five important keys for destroying the barriers:
- Get everyone on the same page
- Don’t change structures right away; change roles instead
- Name only one boss for each decision
- Focus on teams, not individuals
- Lead with questions, not orders

2.4 Agile methods and productivity
Self-organized teams and agile leadership is becoming more common in organizations, yet the benefits of reorganizing into an agile structure is not always clear. According to Parker et al. (2015), the unwillingness by senior management to let go of control is one barrier to successful agile work. In a study by Chen and Silverthorne (2005), the researchers aim to test a theory by Hersey and Blanchard regarding leadership effectiveness. The study found that employee ability
and willingness is positively correlated. With knowledge, experience, and skill within a specific field, comes confidence, commitment, and motivation. It is therefore important to assign the right people to the right task, otherwise mismatches might reduce motivation and commitment. The study also suggests that leaders have to be more adaptable in their leadership in order to encourage employees.

2.5 Motivation in knowledge intensive organizations

Motivation is described as the thing that energizes people to take action when it comes to making choices to achieve their goals. (Kian et al., 2014) Having motivated employees is critical for a functional and sustainable organization. Motivation and commitment is highly correlated and it is important for managers to have an understanding for how to increase motivation, and thereby increasing commitment. There are several theories on the underlying drivers for motivation, however most agree upon that motivation requires a desire to act, and ability to act, and having an objective. (Ramlall, 2004) In their report, Ramlall (2004), the authors argue that the task itself influences the employees motivation towards it. More challenging tasks drive motivation, whereas repetitive and monotonous work reduces motivation. By giving employees variety, autonomy, and decision authority in their tasks motivation can be increased.

There has also been research regarding motivational factors and motivation in the specific context of KIOs. (Alvesson, 2000) There is no specific categorization or set of parameters that defines a knowledge intensive organization, however two things that are distinguishing are: 1) personnel is the most significant resource, and as such; 2) the company risks losing everything if a significant portion of the personnel were to leave. (Alvesson, 2000) In this research, the authors found that intrinsic motivation is a common factor in these companies. This means that the companies can sometimes get away with not providing any external motivation, as the intrinsic motivation is more than enough for the employees to do their work. The reason that intrinsic motivation is com-
mon in KIOs is that the task themselves are complex, they require effort to be solved, which is enough to motivate certain types of people, the type of people commonly employed in KIOs. (Alvesson, 2000)

Even if intrinsic motivation by default is high, it is not always enough to keep personnel committed to their workplace. Motivation and commitment are related concepts, some would argue that motivation leads to commitment, however the connection can not always be proven. (Alvesson, 2000) Regardless, commitment is important in KIOs since they rely heavily on the personnel. As described before, KIOs are per definition companies that risk losing their business if the personnel, the knowledge and power, leaves.

People who fare found working in knowledge intensive settings are often described as hard-working, problem-solving, and innovative. They generally require little steering, and often take own initiatives in their work. This definition closely resembles the typical entrepreneur, which is why research on motivation in that context could give insight into the motivation in the context of a KIO. Another common ground between these two groups is the willingness to work long hours. (Evans et al., 2004)

In research by Shane et al. (2003), independence, drive, and egoistic passion is found to be motivational factors for entrepreneurs. Independence in this context means being responsible and able to take action, without the involvement or dependency of others. Drive entails the willingness to put in effort to achieve something. It can be further divided into ambition, goals, energy, and stamina. The egoistic passion is the love for the work itself.

As can be seen, the traits that define people working in KIOs and entrepreneurs are similar, and the motivational factors are also similar. Since there is this overlap, it can be helpful to take perspective of the entrepreneur when analyzing people working in KIOs to gain a deeper understanding of motivational factors in this context.
2.6 A theoretical framework

To summarize and conclude the literature review the theories on culture and leadership, agile method, and motivation have to be condensed into a framework which will be used as a basis for the analysis later in the report. As the purpose of this thesis is to discuss challenges of introducing new work methods and the effect it has on culture and leadership, the framework will take the form of a set of theoretical challenges that organizations are likely to struggle with.

Connection between agile methods and culture

There is a strong connection between agile methods and the culture of an organization. As described by Rigby et al. (2016), agile works best when it is fully embraced by everyone and enveloped in the culture. However, by looking at culture from the perspective described by Schein (2010), culture has many layers, what is envisioned might contradict the actual manifestation. The possible challenge is that if the goal is to become more agile, yet it is not engraved in the underlying assumptions of the members, it might not work.

Degree of ambiguity in KIOs

When it comes to KIOs the high degree of ambiguity creates challenges for leaders to conduct what they see as ‘good’ leadership. The goal is often to focus on strategic planning and creating a common vision, yet leaders often find themselves micro-managing or having to partake in day-to-day matters.

Changing culture

Attempts to change culture, especially in KIOs, is non-trivial. Schein (2010) talks about the development of subcultures, which creates a divide between leaders and employees. The challenge is that even if there is a shared vision of what to achieve, managers and employees might have opposing underlying assumptions which makes it harder to achieve the envisioned goals.
Motivation as a parameter of success

As employees in KIOs are often described as independent, there is a challenge of realizing how motivated or committed employees are in the midst of change. Alvesson (2000) describe a situation where employees in KIOs have high intrinsic motivation however they often require a high degree of independence to feel satisfied. As managers find it hard to let go of control, the situation might not please employees and a decline in motivation leads to employees feeling less committed.
3 Methodology

In this section, the methodology of the research is presented and discussed. It starts with a presentation of the company where this case study took place, and continues with an explanation of the approach to the methods. There is also a discussion about credibility and how this research was designed to increase it.

3.1 The Knowledge Intensive Setting

The bank where this research is conducted is one of the largest banks in the Nordics. Founded over 160 years ago it has a long standing history in the Nordic business sector. The bank is part of an investment group, which is an investment group with a great involvement in Nordic industry and business.

Ever since the financial crisis of 2008, regulation has become stricter for banking and investment activities, and has resulted in a need to continuously grow the market risk department and develop its capabilities.

There are several risk departments at the bank, all specialized at a specific area. The areas include; credit-risk, liquidity-risk, market-risk, insurance-risk, and operational risk. The market risk department also captures counterparty credit risk, which is the credit risk that may influence the value and risk in financial instruments. Each sub-department or team has their own hierarchy and structure, which contribute to the complex structure.

The department where this case study takes place consists of one top manager, three mid-level managers, and 29 employees (see Figure 1). The main focus is on the market risk modeling department, and most of the interviews are with employees in this subsection of the department (highlighted section in Figure 1).
3.1.1 Knowledge intensive organization

The market risk department, in accordance to most other departments, relies on the knowledge, experience, and productivity of the employees. There is no formal definition for what constitutes a KIO, typical definitions focus on the importance of knowledgeable workers, and having personnel being the biggest asset. (Alvesson and Sveningsson, 2003) The market risk department corresponds to these definitions and can be seen as a part of a knowledge intensive setting.

3.1.2 Agile all in

Recently, the bank has launched its vision of agile work ways, branded as Agile all in. The goal is to implement agile ideas and ways of working into all areas and departments of the bank. The introduction of Agile all in comes from an apparent need for the bank to be more responsive to change. FinTech startups are the epitome of agile companies, they have fast production cycles and they respond to changes in the market.

One key phrase in this Agile revolution at the bank is that ”the team owns the solution”. The idea of team ownership has become central to all parts of the bank. This is also where a key issue with this paper lies as the causality between ownership and motivation is unclear, yet it is something important to
3.2 Approach and design

3.2.1 Credibility

The research in this paper lies within the interpretive paradigm. In other words, the phenomenon of study is interpreted in a subjective way, where values and beliefs are dependent of the context in which it is studied. According to Hussain et al. (2013), the goal of interpretivism is to explore individual’s perceptions, share their meanings and create understanding of the studied case.

In line with the interpretive paradigm, it is common to conduct abductive research. (Dougherty, 2017) Abductive research is described as a combination of inductive and deductive reasoning. It is an iterative approach where theory and data gathering is done continuously, in order to frame the problem and create non-trivial research questions. Through empirical data gathering new problems can be uncovered and the theoretical framework is adjusted to create a better foundation for analysis. (Dougherty, 2017) As data gathering and problem formulation was done iteratively in this research, it can be described as abductive.

In line with the interpretive paradigm, the ontology in this research is relativistic. As explained by Hussain et al. (2013), relativists believe individuals interpret reality different depending on ideological and cultural positions. Reality is complex and its interpretation depends on the researcher, as well as the research subjects. This is why it is important to mention that the research outcomes in this paper will depend on my personal view on the world, and the same study carried out by another researcher might yield different results.

Epistemology is the theory of learning and the theory of knowledge. (Ernest, 1994) Interpretive research is analogous with a subjectivist epistemology (Hussain et al., 2013). Which, in line with relativistic ontology, means that knowledge is a personal concept as researchers themselves interact with the research and create their own understandings. For this research it is vital to be transpar-
ent about my history with the bank, as it is likely to affect my findings and understandings when conducting this research.

Dependability is the responsibility of offering information to the reader. The researcher should be able to present logical, traceable, and documented research. (Eriksson and Kovalainen, 2015) This is achieved by being transparent about the whole process from the initial interviews and meetings to the final analysis of the results.

Transferability concerns the degree of similarity between the research that’s being done compared to previous research and results. The idea is to show, or attempt to show, similarity to other research contexts. (Eriksson and Kovalainen, 2015) By doing an extensive literature review and finding concepts and theories that are related to, and to some extent the basis for this research, the results can then be compared to previous research in order to fulfill this criteria.

Credibility is about the researchers familiarity with the topic and whether the data are sufficient to support claims that are made. It is important that other researchers would, based on the data, come to similar results. (Eriksson and Kovalainen, 2015) This is also met by doing the literature review and being transparent and logical in the analytical process.

Conformability refers to the linking between findings and interpretations, and it being presented in a logical and understandable way, that it is not just in the researchers head. (Eriksson and Kovalainen, 2015) By being open about the research, presenting the results and the thought process this can be met as well. Also, by consulting supervisors and fellow researchers, and receiving feedback from them, the research will be more understandable and logical.

3.2.2 My background

Since the research is relativistic the background and experience that I, the researcher, have is relevant to highlight as to increase transparency and in turn credibility.
I have my background in Industrial Economics and Management at the Royal Institute of Technology, KTH. My specialization is in Computer Science, and this research is my thesis for my master’s degree. Even if I have a background in engineering, which usually promotes a positivistic view on research and experiments, my own view on the world is relativistic.

Also, I have previously been employed at the department where this research was conducted. I was working as a Junior Quant Analyst full- and part-time during seven months before this research began. This has given me deeper insights into the challenges at the department and could possible introduce bias into my findings. To counteract this I have done my best to rely solely on the empirical data gathered from the interviews and not let my experiences or feelings influence the results I find.

3.2.3 Generalizability

As the market risk department is only a small part of the whole risk organization at the bank, and an even tinier part of the bank as a whole, the question arises whether the findings in this report is generalizable in a broader context, both within the bank and outside. Based on theory regarding sample sizes, see Collis and Hussey (2013), it is hard to say if the results could be generalized to all of the bank. However, the market risk department is similar in structure and in the nature of the work to other risk departments at the bank, hence it is likely that the results could be generalized to those parts.

The generalizability to other companies and industries is yet an even harder question to answer. The work at this department is specific and the context of being a small part of a large bank plays a vital role in this research. In Sweden there are a few other banks of similar size which would indicate that there are other departments similar to the market risk department at the bank. However, the leadership situation and the focus of agile methods makes this setting specific and it is not certain if other companies face the same issues, or if they could benefit from analyzing their situation in a similar manner. With
that said, the implementation of agile methods is likely to gain more traction as it is often successful, which would lead one to believe that there is merit to this research for other companies.

3.2.4 Ethics

The Swedish research council presents four requirements they believe have to be fulfilled in order for research to be truly ethical. (Blomkvist and Hallin, 2014) The four requirements are:

1. The information requirement
2. The consent requirement
3. The confidentiality requirement
4. The good use requirement

In order to fulfill the information requirement all interviewees were informed about the purpose and goal of the research both in advance of, and during, the interviews.

Consent was given by all interviewees prior to scheduling the interviews, which fulfills the consent requirement.

All work at the department of study is highly confidential, and the answers given during the interviews could contain confidential information, which is why all interviewees are anonymous in this paper. This would fulfill the confidentiality requirement.

Post interviews talks were had with all interviewees to ensure that they felt comfortable with the answers they had given. Furthermore, the empirical data obtained through this research is only used for the purpose stated earlier to the interviewees, which ensures that the good use requirement is fulfilled.

3.3 Approach

The idea for this research originated from my time of working at the risk department during the summer and fall of 2018. During this time there was a change
in management and certain issues, or ideas of interest for possible change, were pointed out by the new manager. This concern resulted in a conference for the whole department, in order to appoint specific time to meet these challenges. It was during this time my interest in the topic of leadership started to grow. After a series of meeting with the manager we decided this would be a good phenomenon to research further. After this, I did a pre-study to research what literature there was on the topic, and if this was at all a feasible project. This transpired into the literature review part of the research, where an extensive search was done to analyze extant literature.

The research was structured as a case study, which is defined as; "used to explore a single phenomenon (the case) in a natural setting to obtain in-depth knowledge". (Collis and Hussey, 2013) Due to the nature of the case study, which is specialized in nature the generalizability of the research is limited to the context in which it is studied.

The research in for this project took an iterative approach which, as described by Blomkvist and Hallin (2014), means that there was constant updating of research question, purpose, and problem formulation as the research transpired and new insights were acquired.

![Research process diagram](image)

**Figure 2: Research process**

### 3.4 Pre-study

The pre-study began with the activities at the workshop and conference where all members of the market risk department were present. The focus was on
strategic frames and ownership, which are two central concepts in agile methods. The workshop consisted of two sessions where attendees first listened to the bank’s vision and definition of the concepts, followed by reflection and discussion regarding the current situation and whether the concept of ownership could increase motivation and commitment.

The next step was to research related topics to find how this area could be explored further, and how the literature could help analyze the situation. The work initiated by the bank, e.g. the workshop, was a good way to spread the ideas, yet the implications for management are somewhat unknown. By analyzing previous research and theories the goal is to find ways to better describe the current situation, and to find a way to navigate past barriers and problems.

Through several meetings and informal, unstructured interviews with the manager and key employees at the department, a scope could be determined and the next step in the research process could begin.

Previous research suggests that agile methods are good in many types of industries, not just software and IT, yet the resources regarding its applications in banking and finance is scarce.

3.5 Literature review

As a foundation and background for the subsequent empirical data gathering an extensive literature review was conducted. To find relevant articles and previous research, the review begun with a broad search with a few keywords relating to relevant areas. The research was then narrowed down by limiting time span and publication journals. A general body of knowledge was created through this search, with a preference to frequently cited publications. The main set of articles were primarily related to leadership-culture research and research in agile leadership and methods. The goal of the review was to gain an increased understanding of the phenomenon that is studied, which implies that this is phenomenon-driven work. (Blomkvist and Hallin, 2014)

The literature review was a constant process throughout the research project.
In order to gain an increased understanding of the research topics several sources were gathered on each topic, to understand opposing perspectives on similar ideas, which according to Collis and Hussey (2013) is the fundamental point of a literature review. As the empirical work was conducted, and new ideas and topics were discovered, the literature review was constantly expanded. This enables a more nuanced and interesting analysis and discussion later on in the project.

The initial literature review was mainly focus on: Agile methods, Culture Leadership, and Leadership theories. However, it was expanded to include motivation, retention, commitment, etc.

Search-words that were used to find relevant articles and previous research was: “agile”, “organizational culture”, “leadership”, “cultural leadership”, “leadership culture”, “employee motivation”, “commitment”, “ownership”, “strategic frames”. The bulk of the articles were found through Google Scholar, sorted by number of citations and year published, and Complimented by searches on Web of Science.

In order to keep track of the relevant articles they were all downloaded and sorted into folders depending on topic. The literature was synthesized in an Excel document where a few key areas and premise of the articles were noted.

The aim of the literature review was to create a framework, based on current literature, that could be used to analyze and find meaning in the data from the interviews, and in the end to find answers to the purpose of this thesis.

Due to the limited time and scope of this research project it is hard to determine if all relevant articles were covered.

3.6 Empirical data gathering

3.6.1 Interviews

The empirical part of this research consisted of interviews with employees and managers at the risk department at the bank. The goal of the interviews was to gain an understanding of the current situation in terms of how successful current
leadership was. In addition, the employees perception of the implementation of agile work structures needed to be understood. The interviews were semi-structured in order to be able to explore other areas or issues that came up during discussion. (Eriksson and Kovalainen, 2015) This research primarily relies on the data gathered during the interviews only primary data is considered as a basis for the research and analysis. Primary data is defined as data that the researcher gathers through empirical methods, whereas secondary data is data that already exists in some format and is merely uncovered or gathered during the research. (Eriksson and Kovalainen, 2015)

The sample size was set to four interviews with employees and two interviews with managers. The interviewees were of different age, seniority, and background. In order to get a good sample it was of importance to pick employees with different expertise who could give different perspectives on the topics.

The interviews are presented in the tables in Table 1 and Table 2. The first table represents the interviews held with managers at the department. The second table represents the interviews held with employees. The employees’ roles are labeled as Senior Quant, however their actual tasks and areas of expertise are quite different. Each interview was also given a reference which will later be used when results and analysis are presented.

<table>
<thead>
<tr>
<th>Interview No.</th>
<th>Ref.</th>
<th>Role</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>i1</td>
<td>Manager</td>
<td>20 min</td>
</tr>
<tr>
<td>2</td>
<td>i2</td>
<td>Manager</td>
<td>35 min</td>
</tr>
</tbody>
</table>

Table 1: Interviews with managers
<table>
<thead>
<tr>
<th>Interview No.</th>
<th>Ref.</th>
<th>Role</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>i3</td>
<td>Senior Quant</td>
<td>25 min</td>
</tr>
<tr>
<td>2</td>
<td>i4</td>
<td>Senior Quant</td>
<td>35 min</td>
</tr>
<tr>
<td>3</td>
<td>i5</td>
<td>Senior Quant</td>
<td>40 min</td>
</tr>
<tr>
<td>4</td>
<td>i6</td>
<td>Senior Quant</td>
<td>25 min</td>
</tr>
</tbody>
</table>

Table 2: Interviews with senior quants

The interviews were focused around a few key areas, Agile all in, motivation, commitment, expertise, and leadership. These areas were essential during the literature review and are the core parts of this report.

Each interview was recorded, with the permission of the interviewee. Everyone who was asked to be interview wanted to participate. After the interviews, reflection and feedback was discussed, in order for the interviewed part to feel comfortable with the answers that were previously given.

Since the research revolves around the current leadership at the department, and the initiatives taken by said leaders, there was some concern about the willingness or honesty of the interviewees in their answers. However, most likely to my previous history at the department, and the general kind-heartedness of the workers at the department, there was no apparent issue and all answers felt open and honest.

Interviews were held in Swedish, and face-to-face during office hours. Not all interviewees were native Swedish speakers, yet it felt the most natural to keep all interviews in this language. It also makes the subsequent analysis of the interviews more reliable as no translations between interviews was needed. The semi-structured interview format made it possible to open discussions to other topics or issues. This happened to some degree in all interviews, and results from this will be reflected in the analysis of the results of all interviews.

The aim was to keep each interview at around 45 minutes, but each interview was generally a bit shorter than that.

Lastly, each interview was transcribed using auto-generating software. The
transcriptions were then reworked and corrected to fix any errors of miss-
transcriptions that had occurred.

3.7 Analysis of interviews

The "General analytical procedure" was the method used to analyze the em-
pirical material from the interviews. When conduction this type of research it
is important to have a systematic way of analyzing the material. With this
method the analysis is divided into three parts; data reduction, visualization,
and pattern finding. (Collis and Hussey, 2013) The first step was the data re-
duction. In this step, irrelevant data has to be separated and removed from the
relevant data. The relevant data was then compiled in an Excel document in
order to be able to visualize it.

As the interviews were summarized and reduced to its most important parts
they could then be linked to the findings from previous research and the existing
theory that was found during the literature review.

In order to work towards the purpose of this research, the trends and sim-
ilarities found during the interviews were analyzed in the context of, and in
relation to, the theories found during the literature review. This was done by
using the created framework as it could give structure to the analysis, and gain
deeper insights into the material.
4 Results

In this section, the results from the interviews are presented. The structure is aligned with the framework from the literature review. The interviews were coded and analyzed to find similarities and linkages that could help answer the purpose of this thesis.

4.1 Connection between agile methods and culture

In order to gain an understanding of the current situation of the agile implementation at the department several questions regarding agile were asked to the interviewees. To begin with, the managers had a different understanding of agile than many of the other interviewees, which is understandable as they had received more information about the topic and that their perspective is different from the others. When discussing agile with the top-level manager at the department his view was that some parts of agile was really good, whereas other parts were probably not useful in the context that he saw.(i1)

"I believe in ownership and strategic frames as means to create a productive environment and inspire everyone." - Manager 1

From this interview the key take away was that the manager had a clear concept in his mind of what he wanted to implement. The ideas he had were heavily influenced by agile methods, however he found it better to separate the concepts to create a more concise model of what he wanted to achieve. Ownership, in the managers mind, was the idea of letting teams or specific employees be in charge of project. Giving authority and responsibility as a means to increase motivation and productivity. As far as agile methods go, this was the extent of the implementation at the department. However, due to the introduction of these concepts, several initiatives for restructuring were undergoing.

The general sentiment regarding agile was initially negative during the interviews.(i4,i5,i6) The understanding of agile, as employees and some managers,
had come to understood it, was not perceived to be fitting to the work at this department.

"My understanding of agile is that projects are broken down into pieces so that anyone that is available can start working on a new piece. That is not how projects are done here, it requires effort to understand the complexity of each situation, and that cannot be achieved by breaking down projects." - Manager 2

The understanding of agile as a way of working, and the ideas that top-level management wanted to promote seemed miss-matched.

When inquired further about how employees preferred to work, and what they saw as positive methods, it appeared that some agile methods were already in place.

"We have to work in parallel, development and usage are integrated as we need to solve ad hoc problems and find report results fast.” - Senior Quant 2

"If agile means that we have to be adaptive and create solutions that can deliver immediately, then it is a good thing, and we are already doing that to some extent.” - Manager 2

This shows that agile methods are already incorporated in some ways, yet employees are not aware of the connection to agile and what the bigger picture entails.

Thus, the focus on agile methods is on the concept of ownership.(i1) However, with the implementation and focus on creating ownership there were several challenges that came forth during the interviews. Since the purpose of this paper is to identify challenges with implementing agile methods this became a large part of the interviews, and since it influences the culture and leadership as well as motivation, the challenges will be presented throughout the presentation of the results.
"We have made efforts to delegate responsibility and ownership of current projects, however it is not always clear who is best fit for such a position.” - Manager 1

One issue that arose is that when managers aim to delegate responsibility and ownership of projects they have to find employees that are knowledgeable in that area, and that are also available to be assigned to a certain project.(i1,i2) The department is relatively small, even though it is expanding, and the amount of projects can become too overwhelming. Everyone is specialized in a certain field and it can be cumbersome for someone to take over a project where they have limited knowledge. Furthermore, some projects have high priority and the consequences of not meeting deadlines can be expensive and in some cases it affects the whole bank. Thus, laying the puzzle of projects and finding a proper owner for it is a real issue that the managers and employees at the department is struggling with.

4.2 Degree of ambiguity in KIOs

The next part of the interviews revolved around the culture at the specific department, as well as the organization as a whole, and the leadership in both parts. To begin with the managers at the department were asked to reflect on their own roles and how they approached it. The top-level manager had a quite clear idea of how he wanted to position himself in relation to the department, and how he thought his leadership was perceived.

"I see my role as supportive, I don’t want to delegate tasks, instead I want to increase the productivity in all teams by being able to provide guidance and support. I don’t think any manager should be involved in specifics, we should set the frame and provide a vision for where we want to be, and assist the teams in getting there.” - Manager 1

By giving teams and employees ownership of projects, and instead focus on
the overall strategic challenges, he believes that his impact is greater than if he starts to manage specific projects. This line of thinking was shared by other managers, and is strongly connected to the idea of ownership.

When it comes to the perception of the current leadership, the sentiment was positive throughout the department. The employees that had been at the department the longest were the most positive, and thought the leadership worked mostly well.

"There has to be someone who sets clear limits, even if teams are encouraged to take initiatives themselves, someone has to be in charge to make sure we’re all heading the same direction. I feel that there is a slight lack of control as projects and teams are left to their own devices, which has created a situation where we have several solutions to the same problem.” - Senior Quant 3

This quote highlights one of the challenges that the department was facing, namely that there are many systems being used in parallel. For newer employees this became quite overwhelming as it takes a long time to gain a good understanding of how this complex system of interlinked services works.

"Everyone is a specialist here, and knows pretty well how to execute their tasks. I think it’s important that everyone is able to set their own goals, although there is a need for management to set clear frames of what we need to achieve.” - Senior Quant 2

This line of thinking was expressed by several individuals and there was emphasis on the knowledge intensive work that everyone had.

4.3 Changing culture

When it comes to culture, the consensus was that the culture was open and supportive, anyone can ask anyone for help. However, there were some limitations to this that came up during further questioning.
"Since everyone is specialized it takes effort to assist someone else in their work. It can be hard to seek help due to this.” - Senior Quant 4

Another interviewee expressed it as:

"We are all raised to be individualistic. Everyone is highly educated, either Master's degrees or PhD's, which is why I think it can be hard to reach out to others sometimes.” - Senior Quant 2

Even if the culture is regarded as open and supportive there are a few underlying challenges that makes it hard for everyone to cooperate fully. Due to the fact that the agile methods advocates team work and cross-functional teams, it can be hard to reach high levels of productivity.

4.4 Motivation as a parameter of success

When it comes to motivation, the empirical evidence will be used to analyze if the employees at this department are driven by similar factors as was found during the literature review. Inquiring about motivation is also used as a means to understand how serious the current challenges are, and what the end goal of any change efforts should be. There were was several factors that employees found essential to promoting a motivational work environment. One employee expressed:

"Curiosity is what motivates me the most in my work. Exploring new solutions to problems or having to work with areas in which I have limited prior knowledge.” - Senior Quant 2

Another response was:

"The possibility to learn something new, to become an expert in an advanced area is essential to my motivation.” - Senior Quant 1

Motivation appears to be intrinsic to many of the employees. To have challenging and complex tasks to work with is to some extent enough to motivate people to a high degree.(i2,i3,i5,i6)
However, it appeared that there were many factors that everyone took for granted, and did not reflect on as these basic foundations had always been there.

"Having a good work environment, an open culture, and general stability is fundamental to being motivated anywhere. It is taken for granted here, therefore I believe that we expect to be challenged to a higher degree, which is in turn what motivates us.” - Senior Quant3

This goes to show that the cultural aspects of work, and the leadership is important to create an environment that has the ability to motivate employees. In this case, it already existed and did not seem to be affected by the implementation of new work methods.

Being able to influence projects was also seen as an important factor to boost motivation.(i2,i3,i4,i5) This was mutual between managers and employees.

"I find motivation in having clear goals, doing something that is important for the bank. Having the possibility to rule over my own destiny so to speak.” - Manager 2

It seems that recognition, and being part of something larger is essential to stay motivated. With the new ways of working some found it harder to contribute initially as they became involved in several projects, whereas they used to focus on fewer projects where they had greater influence.

To summarize the results, it appears that the current implementation of agile methods has taking its own form at this department. There is a gap between the vision from management and the understanding of the employees. The sentiment towards culture and leadership is positive, however there are challenges expressed by employees regarding the ability to cooperate, which could be due to the knowledge intensive setting.
In this section, the results will be analyzed by using the theoretical challenges established in the literature review.

To begin with, the first theoretical challenges is the mismatch between the vision of new work methods and how it is perceived by the employees. From the interviews it becomes quite clear that the new vision is not engraved in the culture to the extent that it should. The managers’ vision of ownership and strategic frames as a means to improve work methods are not fully understood. The understanding of agile methods and especially the understanding of ownership is far from what the vision is. Even though there has been extensive efforts put towards mediating the vision that managers have, the employees have not changed their assumptions to align with this. As Schein (2010) describes it, the underlying assumptions and the values can be contradicting, which seems to be the case here.

The second potential challenge was regarding the ambiguity for leaders, and the challenge of conducting ‘good’ leadership. In the interviews the managers convey a vision of being supportive, and focusing on strategic goals. This is in line with the general idea of ‘good’ leadership that Alvesson and Sveningsson (2003) find that managers in KIOs strive for. Their vision is to set clear frames for employees to work within and give decisive authority to project leaders, while taking a more supportive role themselves.

However, when discussed further the ambiguity that Alvesson and Sveningsson (2003) describe could be seen at this department as well. Managers often found themselves engaged in specific tasks related to projects. The reason for this could be that the knowledge intensive work requires expert knowledge, therefore many employees said that they often times turn to their direct manager, as he has the most experience and already knows the details of many projects.

The challenge of conducting ‘good’ leadership is certainly palpable at the
department. There exist ambiguity for managers and employees when it comes to how they should work together, and for managers specifically when trying to focus the strategy and vision.

When introducing new work methods, i.e. agile, the assumption is that there needs to be a change in culture to accommodate this change. Rigby et al. (2016) The managers at the department are not explicitly talking about changing culture, most likely as this is not something they have reflected about. However, a theoretical challenge is that the culture of leaders and employees are different, which would make a change in culture even harder. When interviewing managers and employees at the department it appears that they are aligned and have a common culture. (i2, i3, i5) Although, according to Schein (2010), the culture could appear to be aligned yet the underlying assumptions and values could be contradicting. Furthermore, there doesn’t appear to be any subcultures at the department, however the culture is similar to the hybrid culture discussed by Crevani et al. (2015). There is a strong sense of academia as everyone is highly educated with a master’s or PhD.

There is a lot of talk about teamwork and creating project group. This is understood as necessary and appreciated by employees. (i3, i4, i5, i6) Although there seems to be a contradiction as there is also expressed feelings of everyone being highly individualistic. This could cause a divide between what is said and what is actually done. Looking at it from the perspective of espoused beliefs and underlying assumptions, the belief is that teamwork is good and is something everyone should strive towards yet the underlying assumptions make it clear that everyone’s greatest focus is their own work.

In the interviews the employees express similar factors for motivation as expressed by Alvesson (2000), which are independence, decisive authority, purpose, etc. (i2, i3, i4, i5, i6) The challenge that could arise is how managers are able to keep motivation high when changing work methods and structure. More challenging tasks and having to find solutions to complex problems are important factors for motivation at the department. (i3, i4, i5) This is in line with the theories by Ramlall (2004). Even if the other theoretical challenges are mani-
festing themselves at the department, there does not seem to affect motivation. However, as described by Alvesson (2000) intrinsic motivation in KIOs is high, which seems to be true at this department also. This would mean that there is some slack in the system, which allows for more 'bad' management before it affects employees motivation to the extent that it is noticeable.

To summarize, there theoretical challenges seem aligned with what was found through the empirical work. There is ambiguity in the leadership roles as leaders find it challenging to conduct 'good' leadership. The underlying assumptions, in the end the culture, makes it hard to implement new ways of working. The envisioned goals set by leadership are certainly known, yet are not expressed in action by employees, primarily due to the knowledge intensive setting where everyone is highly individualistic and the fact that one has to develop certain expertise in order to contribute to project. Despite these challenges, motivation still seems to be high, most likely due to the fact that employees in KIOs have strong instrinsic motivation which trumps other factors that might be neglected.
6 Discussion

In this section, the results and analysis is discussed and put in relation to previous research and findings.

6.1 Current challenges

First of all, there were several challenges that came up during the interviews. Some of them show a clear connection to the implementation of agile methods, whereas others are not clearly caused by change efforts however they will be discussed to some extent as well. The most pressing challenge is that there is not enough understanding of what agile methods are in general and what vision management has for the implementation of agile methods at the department. As described by Rigby et al. (2016), in order to be successful with agile, everyone has to learn how it really works. This is not the case at the bank as employees, and to some extent managers, expressed uncertainty when asked to reflect on agile in general. Another challenge that was directly seen by management was the restructuring to find appropriate teams and decision makers for each project. Due to the complex nature of the projects, and the fact that everyone is specialized in their own area, it is challenging to assign projects. This is in line with the Agile-Manifesto (2001), however as the authors Rigby et al. (2016) describe there should be focus on teams, and letting teams make decisions.

Furthermore, as described by Rigby et al. (2016), agile really only works when it is embraced fully, by everyone. Agile is to many a way of living, it has to be part of the culture, otherwise it will fail. The managers at the department cherry-picked a few areas of agile that they saw fit, which is likely to create even more challenges down the road.

The efforts to be more agile also included giving more autonomy and authority to the employees, however this creates a challenge in that there needs to be a frame that everyone stays within. Otherwise, which was shown in the empirical material, the projects take their own shape and strive too far from
the main purpose, and with no one to oversee them properly they sometimes ended up working on the same tasks.

During the change that happened with the implementation of ownership as an agile method, the motivation of the employees seemed to have remained high. As described by Alvesson (2000), in knowledge intensive organizations intrinsic motivation is strong, which seems to correspond with the situation at the bank.

6.2 Facing the challenges

The theories about supportive leadership by Svenningsson et al. (2009) and Alvesson (2000), argue that in knowledge intensive organizations there needs to be a supportive leader that assists the employees, rather than only delegate. However, this theory takes the perspective of having one leader, whereas in this analysis the focus is on the cultural aspect of leadership. With that said, one can combine this theory of supportive leadership in knowledge intensive organizations with the ideas brought forward by Crevani et al. (2015), where they argue that the culture is in itself enough to create direction and meaning, without the need for a formal leader. I would therefore argue that a knowledge intensive organization needs to have a culture that creates this supportive atmosphere, and where the team members assist each other, in a way that a supportive leader would. From the interviews at the bank it appears that the group displays many of the traits that would create a supportive culture. The culture is open and everyone is encouraged to participate, the only limitation is created by it being knowledge intensive as it makes it harder to have meaningful exchanges between colleagues.

The ambiguity of leadership exists in this KIO, and it is something leaders have to understand. The practice of 'good' leadership is hard to execute in practice and leaders have to make decisions on what their role should be and how it should develop. Micro-management is often seen as something bad, and it certainly contradicts the expected work environment in KIOs. A stronger focus on a strategic role, focusing on delivering a vision and an attempt to
affect the underlying assumptions of the employees should be of higher priority. The current structure of the department, with several mid-level managers could be something to reconsider.

Even if there was not executive subculture that could be seen, the underlying assumptions of managers and employees seem to be contradicting. As described by Schein (2010), subcultures often appear when there are different levels of management having different levels of experience and wanting different things. Most managers are promoted from within the department, which means they have had the same role as the people they are managing do. Often times this makes it hard for managers to let go of control, and they tend to stay involved in day to day business instead of taking a strategic role. This type of behaviour could be observed at the department as one manager was described as a delegating manager.

Furthermore, throughout the department employees expressed wanting more autonomy and the chance to influence projects as these were things they saw as motivational. As described by Alvesson (2000), intrinsic motivation comes easy to employees in knowledge intensive organizations, however since these organizations rely on their personnel every effort to increase motivation should be made.

As described by Chen and Silverthorne (2005), it is important to assign the right task to the right people. People often find value and meaning in being assigned to projects where they are valuable. This is a huge motivational factor and is something that is relatively easy to capitalize on. Even if the managers at the bank expressed challenges with assigned leads to projects as it is a complex organizational structure and everyone has expert knowledge, there is certainly much to gain from doing this well.

From the results one can see that the bank displays a culture that is open, however it is limited by the nature of the work which creates silos around each person. In order to face the challenges with implementing agile the department has to focus on a few things. By looking at leadership as a cultural phenomenon, one can say that the department has strong sense of direction. It is knowledge
intensive and employees are experts in respective areas, which means that they
themselves ought to be the best person to make decisions regarding projects.
As of now, work has been dealt to them by management, they can still influence
projects, however decisions are taken by managers. This is detrimental to mo-
tivation, and could be improved by assigning decisive authority to employees.
In analogy with theories about supportive leadership, the department can, by
its culture, become its own supportive leader. There is enough expertise and
experience, and the fact that everyone is highly educated, at the department to
create this atmosphere. To achieve this, the managers should only focus on set-
ting the strategic frames, deciding on a vision and mediate it to the employees.

Furthermore, by focusing on creating this culture and relying on teams and
employees to steer in the right direction, managers can spend needed time on
facing the challenges caused by implementing new work methods.

To summarize, the bank should make efforts to establish a culture that is
open and that encourages a common vision and direction. The knowledge inten-
sive setting contributes to several of the challenges, however since people who
are employed in knowledge intensive organizations often have strong intrinsic
motivation, it creates a quite forgiving context in terms of increasing motiva-
tion. If it is possible for management to take a purely strategic role, it would
open up for the employees to take more action. This would promote positive
factors for motivation, and will in turn enforce both leadership and culture.
7 Conclusion

In this section the purpose is concluded with the findings from the analysis and discussion.

The focus of this paper was to analyze the implementation of new ways of working, identify challenges that had arose and with a theoretical perspective on leadership as a cultural phenomenon, analyze how these challenges could be overcome. The motivation of employees was used as a parameter to evaluate what issues were important and as a tool to find a path to a better functioning environment.

When implementing agile as a new way of working it is important to embrace it fully. Management and employees have to understand what agile means, otherwise confusion arises. The ambiguous nature of KIOs creates further confusion and leads to a loss of a shared vision. By understanding the underlying elements of culture, can help understand how re-unite leaders and employees.

In order to find a way forward, by analyzing the situation in terms of cultural leadership, a framework for how to overcome issues was discussed. Implementing new ways of working is a challenging task, especially in this type of setting. Leadership, as it is know traditionally with formal leaders, does not give a comprehensive understanding nor solution of how to create the needed change to go forward. Culture and leadership is intertwined to the point that it is hard to distinguish were one ends and the other begins. By analyzing them as a common concept, the potential for understanding is increased, and allows for more appropriate means of action to improve the situation.

Furthermore, the findings in this research is based on a highly specific context. Whether or not the findings are applicable in a broader context is up to the reader, and could be something for future researchers to acknowledge. With that said, the perspective on culture and leadership as a unified concepts brings new new possibilities for discussion and contributes to the research area.

To conclude, the communication between management and employees was
not within the scope of this thesis, however it would be a good extension to this research. Communication could contribute to the challenges KIOs are faced with, and doing further research within that area would be beneficial.
References


