A Diversity Perspective on Knowledge Transfer at Nordic Trading Floors

Does wearing suits and playing golf help the employees to learn?

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ABSTRACT

Title: A Diversity Perspective on Knowledge Transfer at Nordic Trading Floors - Does wearing suits and playing golf help the employees to learn?

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Background: This thesis is about knowledge transfer and diversity at Nordic trading floors. The research is focusing on knowledge transfer and how it is influenced by diversity and the ties between homogenous people.

Purpose: The purpose of this study is to understand how the knowledge transfer could be more efficient at Nordic trading floors and whether employees prefer to share knowledge with employees to whom they either have a weak or strong social tie to. We also want to see how homogenous people impact the flow of knowledge transfer.

Methodology: This research is conducted through a case study of respondents working at trading floors at two different banks in the Nordic countries. The data is mainly collected through quantitative surveys and qualitative interviews.

Conclusions: Knowledge transfer at Nordic trading floors is implemented through different types of training and mentoring and by keeping up with strong social ties which is feeding the sociocultural arena. Homogenous people are contributing to knowledge transfer by spreading tacit knowledge while networking and socializing with each other. Wearing suits and playing golf might therefore help employees at Nordic trading floors to learn more.

Keywords: Knowledge transfer, diversity, social ties, banks; trading floors, knowledge; explicit knowledge, tacit knowledge.
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1. INTRODUCTION

The introduction provides the reader with an introductory discussion about the topics chosen for this research. The role of knowledge and knowledge transfer are addressed and highlighted along with the dilemmas of diversity. Thereafter, the research gap that this study aims to fill will be argued for. This is followed by the purpose and research questions that have guided the execution of this study. Lastly, this chapter provides an outline of the research to show the reader what to expect from each chapter.

1.1 The role of knowledge and knowledge transfer

The role of knowledge within the organization is widely spread across the globe and the importance of it is well known among all large companies. Knowledge transfer has drawn a lot of attention during the last decades and many studies has been created due to easy mobility between jobs both within a country and outside its borders. Millennials are encouraged to change jobs every 3-5 years (Ryan, 2017, Giang, 2017, Trunk, 2007). Knowledge has also become an important part of management research. Over the past two decades, this has been a breakthrough comparable to the behavioral revolution in the 1960s (Farkas & England, 1988). Capabilities, networks and individuals are all parts of strategies that are highly relevant to today’s knowledge research (Foss, 2009).

According to the Bureau of Labour Statistics (2016) people in a modern society tend to spend on average 4.2 years in the same company. Many people change positions within the company during those years. Successful people tend to be more active in changing their jobs compared to those who have no intention of getting a better position (Ryan, 2016). Knowledge transfer is studied both on micro- and macro level. According to Granovetter (1979) a micro level interaction is not matching in any way with macro level patterns in terms of sociological theory. Micro level is studied between individuals and macro level is studied on a larger scale, for example between divisions, organizations or nations.
All companies are constructed differently, and the company cultures of two companies operating within the same field may also vary. A study made by Hanssen (1999) arises the question whether weak or strong ties within the company’s subunits either are making the knowledge transfer effective or slow. The business world is divided in two phases; fast and slow. The human brain works best when we have to be open and curious. When we know the job, we stop to be curious and our brain stops to learn (Ryan, 2016). The author is arguing for the fact that changing jobs often will benefit yourself in many different ways and your reputation within the business community will grow. Other authors (see e.g. Pumpian et al. 1997) are on the same track where they argue for the fact that changing jobs is an essential part of career development.

Driven by the ever-changing organizational world people are getting more eager to absorb information on a different level than before. A study made by Tina Chini (2005) focus on the managers of multinational companies and how managerial mechanisms have to be implemented to increase the benefit from knowledge transfers in headquarters and subsidiaries. Some authors (see e.g. Howlett 2010) are studying the question whether modern management has reached its limits or not. According to Hamel (2007) the modern management have already reached the limits of improvements. Not only will business models continue to change but also management structures are not able to stay unchanged in the future.

Argote and Ingram (2000) argue for the face that knowledge transfer within a firm is crucial to sustain competitive advantage. They claim that the knowledge embedded in the interactions of people, tools, and tasks are providing a basis for competitive advantage but at the same time being the most difficult things to transfer. The purpose of knowledge transfer is that knowledge should be transferred between groups, departments or divisions. The problem with knowledge transfer is that it often stays at an individual level, and the knowledge is not transcending from that individual level to a higher level of analysis. For example, one group of workers could teach another division how to make a specific process more efficient. The social network also plays a key role in the knowledge transfer (Argote & Ingram, 2000). As social networks affect communication patterns, it would be a crucial part to work on when trying to work with and improve an organization’s knowledge transfer.
Prior research on diversity has shown strong benefits of pursuing synergy through knowledge transfer and resource sharing (Wenpin, 2001). When people in an organization move on in their careers and a new employee replace them, a transfer of knowledge is necessary in order to teach the new employee the procedures, structures and also tangible and intangible knowledge. According to Wenpin (2001) social networks consists of people that are interacting and communicating together. She also claims that social networks facilitate the creation of new knowledge. People tend to turn to other people for information, rather than going to a written routine in a document (Levin et al, 2002). In diversity research, it is discussed whether or not people interact well together in an organization when they have different backgrounds, gender, religion and ethnicity (Markides, 1997). An interesting aspect of the knowledge transfer research is how different features of informal networks affect knowledge transfer. The authors pinpoint the fact that strong ties have a significant role in knowledge transfer (Reagans & McEvily, 2003).

Complex knowledge can be divided into main dimensions and either have a high or low level of codification (Zander and Kogut 1995). The codification responses to which degree the knowledge can be documented between two different units. Nelson and Winter (1982) argues for the fact that knowledge with a low level of codification must be acquired through experience since it can be seen as tacit knowledge. Earlier studies cannot address whether industries with high employee turnover ratio should focus on documenting the knowledge transfer or to acquire it more efficiently through hands-on experience.

Knowledge transfer was first introduced by Teece (1977) where he argues for the fact that knowledge transfer would be most effective if multinational companies from different parts of the world would share the knowledge with each other. Other authors as Zander and Kogut (1995) are on the same line with Teece adding the fact that without knowledge transfer a company cannot exist and they are pinpointing how the company’s competitive advantage would be harmed without effective knowledge transfer. One question that arises during the compilation of prior studies is whether homogenous industries would benefit from diversity within the firm or not. In cases when the hypothesis is proven true, it is discussed at which degree weak and strong ties affect the knowledge transfer (Granovetter 1979; Hansen 1999). Weak social ties may occur due to the lack of common interests or backgrounds, and can therefore be connected with diversity as a harmful effect on homogeneous organizations.
1.2 The dilemma of diversity at Nordic banks and trading floors

Diversity at trading floors has become an issue during the last years since the banking sector, and especially trading floors, has been mostly dominated by men (Blair-Loy, 2001, Ring, 2013, Berner, 2017). Promoting diversity has been an important factor in modern HR policies alongside with functional corporate governance. Some banks are focusing more on this HR policy than others. For example, HSBC, a British multinational bank had already in 2011 a workforce with more than 144 different nationalities (Charis Gresser, 2011). DHR International conducted a study in 2016 where they focused on the banks’ annual reports and how well diversity was presented. According to the study there is also a difference between investment banks and retail and commercial banks. Whether diversity has a positive or negative impact on the knowledge transfer is not stated in the report. Moreover, diversity is well presented among European banks when American and Canadian banks on the other hand show little or no interest in presenting their policy towards diversity in the banks.

This study will discuss how diversity can have either a positive or negative effect on the flow of knowledge transfer within the banking sector. Danske Bank, Nordea, SEB, Handelsbanken and Swedbank are Nordic banks that look similar on the outside, but by a closer look at their diversity work they are different. Danske Bank chooses not to present any numbers on diversity in their annual report. SEB chose to only show how many percent of directors were women and nothing more. By contrast, Nordea Bank which is the largest Nordic bank present a clear gender distribution in their annual report where the reader can easily see how many percent of the board directors and other executives are men and women. Handelsbanken and Swedbank are on the same line with Nordea and choose to focus more on diversity and present clear numbers of diversity in their annual report. Moreover, an issue within all large companies from every industry sector is that they have clear policies on how they are working with diversity however, there are none or little actual fact that they are working according to their own policies and can present clear numbers.

During observations at two Nordic banks, we can see that most people belong to the male gender, is wearing a suit and often like to play golf or go out for dinners together on their spare time. The connection between the need of strong social ties for knowledge transfer and
the lack of discussion about diversity at Nordic trading floors is an interesting topic since Nordic trading floors otherwise seems so modern and updated.

1.3 Research gap

Diversity is a current trend and has been studied more and more over the past decades. Diversity is nowadays included in many laws and is often a topic in newspapers and on people’s lips since the globalization get people with different gender, race, nationality, religion and ethnicity closer together. The world has quickly been going from a place where it is acceptable to use slaves to a place where equal rights and diversity are a few of the most important values that shine through in many laws. However, even though diversity is a topic that has been researched to that extent that it has led to new laws and regulations, this research will make a more specific contribution to the matter. This research is contributing to the diversity research by filling the gap of diversity at trading floors in Nordic countries and if diversity has an impact on knowledge transfer.

1.4 Purpose and research questions

The purpose of this study is to understand how the knowledge transfer could be more efficient at Nordic trading floors and whether employees prefer to share knowledge with employees to whom they either have a weak or strong social tie to. We also want to see how homogenous people impact the flow of knowledge transfer.

Our research questions that will guide us through the study are as follows;

- *How is knowledge transfer implemented at Nordic trading floors?*
- *Which role does homogeneity have for the flow of knowledge transfer?*
1.5 Outline of the research

Introduction

The introduction provides the reader with an introductory discussion about the topics chosen for this research. The role of knowledge and knowledge transfer are addressed and highlighted along with the dilemmas of diversity. Thereafter, the research gap that this study aims to fill will be argued for. This is followed by the purpose and research questions that have guided the execution of this study.

Methodology

In the second chapter of this research the applied methodology will be presented. The first part of this section motivates and describes why the research approach is chosen together with the selection of study subjects and the character of the research problem. Thereafter the design of the research is described together with the data collection methods and the selection of respondents for the surveys and interviews. Lastly, the analytical process is presented followed by research quality concerning reliability, transferability and validity and the ethical principles that have been taken into consideration throughout the research. This chapter aims to clarify the choices made during the research process and thereby give the study a higher quality and credibility. For this reason, aspects concerning trustworthiness and quality is also discussed throughout the whole methodology.

Theoretical framework

In the theoretical framework, we have created a theoretical foundation to work as a base for our research. A comprehensive amount of information about knowledge transfer and diversity was collected and in this section the most adhesive and representative theories is presented. Due to the complexity of the theories it will work as help for the reader to clarify some concepts to facilitate the overall research field, and it will also provide a basis for the analysis
of the empirical findings. The aim is that this theoretical chapter will deepen the understanding about knowledge transfer and diversity.

**Empirical data collection**

In the chapter about empirical data collection we are briefly presenting the two banks we have been in touch with and how they describe themselves in terms of diversity and how their knowledge transfer works. Thereafter the findings of our questionnaire and interviews are presented together with a table with the most important empirical findings.

**Analysis and discussion**

This chapter provides an analysis and discussion of the theories and how they are connected to the empirical data gathered through questionnaires and interviews. This will give the reader a deeper understating of the reasoning and it will also serve as a foundation for the conclusions.

**Conclusions**

The conclusions show how the purpose of this research is fulfilled and answers to the research questions presented in the beginning of the research is provided. As a last part of this research, the most important findings are concluded into short answers to our questions. A short part about limitations and suggested future research topics is provided to explain what we could have done more or better of, and further questions that have arised after the conclusions of this research.
2. METHODOLOGY

In the following section the research methodology applied in this study will be presented. The first part of this section motivates and describes why the research approach is chosen together with the selection of study subjects and the character of the research problem. Thereafter the design of the research will be described together with the data collection methods and the selection of respondents of the surveys and interviews. Lastly, the analytical process will be presented followed by research quality concerning reliability, transferability and validity and the ethical principles that have been taken into consideration throughout the research. This chapter aims to clarify the choices made during the research process and thereby give the study a higher quality and credibility. For this reason, aspects concerning trustworthiness and quality are also discussed throughout the whole methodology.

2.1 The character of the research problem

Study subjects can be companies or individuals in the companies studied to increase understanding of what controls the action in a practical and social reality (Bryman & Bell, 2015). The study subjects’ approach to the questions asked may have different meanings in terms of different attitudes and behaviors (Alvesson & Sköldberg, 2008). The study subjects in our study consist of 24 different employees at two different representative organizations in the Nordic banking business. Before the research process started we did unstructured observations at one bank and had an informal pre-interview with a branch manager at another bank. Having unstructured observations involved studying the spontaneous behavior of participants at a Nordic trading floor in their natural surrounding (McLeod, 2017). We wanted to investigate how the knowledge transfer was influenced by diversity and homogeneity at a trading floor and the reason we chose to do unstructured observations was to validate our perceptions and to not make the study subjects aware of the topic since that might have changed their behavior. These perceptions were confirmed by the informal pre-interview where the questions were unstructured in order to see how it worked at another bank. Unstructured interviews are conducted by unarranged and open-end questions to let the interviewee be un-directed and choose their own words in order to validate the truth (Bryman
& Bell, 2015). Similar perceptions about knowledge transfer and diversity can be found in other Nordic banks, and therefore our study subjects are relevant for this study.

The advantages of selecting study subjects consisting of individuals in an organization is that we can get personal information about their view of how their first knowledge transfer looked like. We chose that rather than asking a spokesperson of an organization where they will talk for the whole company about how they want it to be and in best case scenario instead of looking at it from an individual view that would tell us how the actual perception is. For our research, the individual view is therefore more important and it is important that they are not affected to speak for everyone in the company. There will always be a risk that the individual respondents answer in a way that they think they are expected to do, but we see this risk lower than it would be with a spokesperson.

If the bank employees are experiencing a problem with knowledge transfer and that it is related to high employee turnover, they should have an own interest in improving the situation by starting to think about the dilemma. If they answer honestly and personally to our questions they can take advantage of our final research. To further enhance the credibility of the study subjects we have chosen to use study subjects from two of the greatest banks that are comparative and operate in the Nordic countries.

We also do the surveys and interviews anonymously to ensure that the bank employees respond based on their own experiences with their profession taken into consideration, and not just respond to what they think the companies they are working at want them to say. We have considered using full names and work titles in order to make the study more reliable, but during the observation and the informal pre-interview we were being told that it could be harder to get a good number for the sample population due to the nature of the research topics with knowledge transfer and diversity. In Finland and Sweden, where the study subjects come from, it is common to say something that sounds nice in public and then complain about it when they only are with their closest friends or family. An informal law, “Law of Jante”, drives this shyness and modesty of the people in the Nordic countries. Law of Jante goes back over a hundred years and is based on a guilt of survival where you should not think that you are someone important or think that you are better than someone else in the society and therefore do not have the right to complain in public (Jantelagen.se). This mentality of not telling the truth about situations when you rather would like to complain is something that
we wanted to avoid and therefore we chose to arrange the interviews and surveys anonymously.

The character of the research problem is based on the perceptions and experiences bank employees have towards their knowledge transfer experience during and after their training when they first started the job. To understand certain perceptions or attitudes measuring- and analysis methods can be used. These measuring- and analysis methods can be formed by studies at individual-, group-, organization-, industry- and society level (Bryman & Bell, 2013). We have chosen a level of analysis based on the individuals in an organization and an industry level of Nordic banks. The analysis will take the organizational level into consideration, even if we only investigate parts of the organizations. The organizational level is therefore not complete and not something we focus on since we have narrowed down the study to two analysis levels. However, the perceived problems concerning knowledge transfer with impact of diversity in the selected organizations can be related to similar dilemmas in other bank divisions. We aim to understand how the knowledge transfer can be more efficient at Nordic banks with main focus on trading floors.

2.2 Research approach

Which research approach have we used in this research plays a huge role and is seen as highly important since it shows how the theory and empirical evidence should be related to each other, and the approach we chose should be best studied for this research. Some authors, such as Alvesson and Sköldberg (2008), claims that inductive, deductive and abductive approaches are the ones that are most commonly used in researches.

According to Bryman and Bell (2013) the features of a deductive approach towards the research is a proper way since it starts from already known theories that will lead to new hypotheses. In our research, we deal with different theories about knowledge transfer and the problems connected to it. We shaped our hypothesis along our theories that employees who are socially connected to each other will have a better chance to be successful within the banking industry. This research could be classified as abductive reasoning since we have made observations at banks that lead to our theory and therefore we tried to find out the most
likely explanation to the hypothesis. We believe that we can take advantage of prior theories regarding knowledge transfer that already exist that will further teach us more about knowledge transfer and how it is applied in the banking industry.

The abductive approach has grown in popularity in different business researches and in researches regarding social scientific researches. According to Bryman and Bell (2013) the abductive approach is better since it is used to build logical interfaces. On the other hand, deductive research method is only relying on the testing of different theories where the researchers are trying to falsify the hypotheses that are stated in the research. The abductive research approach involves to a big scale that the researches must go back and forth between the theories and social world to reach the best outcome (Bryman and Bell, 2013). This helped us to identify our hypothesis and how we observed the phenomena and linked it to the theory to make the surprising facts into a phenomenon we studied.

2.3 Research design

The design of a research can be done either by a qualitative method that is mainly done in exploratory researches or by a quantitative research design where numerical data are gathered from a larger sample population that is converted into usable statistics. It is also possible to make a research design that is based on a mix of both qualitative and quantitative research methods.

2.3.1 Qualitative research method

The primary reason for a qualitative research is to understand the purpose and to gain a deeper understanding of the problem. This helps the researchers to describe the sum of the circumstances in which the problem is contained (Holme and Solvang, 1997). The qualitative research method will also provide deeper insights into how the underlying trends for a specific problem is and how motivations, reasons and opinions can affect the outcome. Some methods for using a qualitative research method can include interviews and observations. The emphasis in qualitative research method in this research lies on words that
is be generated by personal interviews with bank employees. According to Bryman and Bell (2013) qualitative studies are also based on a goal-oriented selection of the population that is chosen to be studied.

2.3.2 Quantitative research method

Quantitative research method varies from the qualitative since by this method we were able to quantify the problem and generate numerical data that in turn will provide us statistical data that we were able to analyze. According to Holme and Solvang (1997) quantitative research methods are purely based on the numerical outcome that can be turned into useful statistics. This research will also contain a quantitative research approach since it will help us to discover patterns in the sample population and we can compare the numerical statistics with the responses from our interviews. We conducted a structured online survey that is answered by the sample population of interest for this research.

2.3.3 Mix of qualitative and quantitative research method

The best way for this research to reach the desired outcome was to use a mix of both a qualitative and a quantitative research method. This is considered the best option since the quantitative research will produce data that can be followed up by using a qualitative research method so that we are able to understand the underlying reasons and motivations for the statistical data.

2.4 Data collection methods

Primary and secondary data are two different types of data that are used within researching. Primary data are aiming to first-hand sources where the information that is used are received from an original source. Secondary data is collected from other researchers or organizations and institutions collect the data as a part of their primary activity (Bryman and Bell, 2013). Secondary data can be found in different theories, literature, theses or databases and
therefore, according to Bryman and Bell (2013), may the use of secondary data be both money- and time-saving.

Some of the techniques that may be used in purpose of collecting empirical data are interviews, observations and surveys. According to Bell and Bryman (2013) interviews can be separated into two different categories; structured where the interviewer has a fixed questionnaire and a non-structured where the interview can be more like a dialogue where the interviewer only take notes. Furthermore, Bryman and Bell (2013) are also describing a third technique, a semi-structured interview where the interviewer follows a questionnaire but have some flexibility and add some questions if he feels that’s necessary. The semi-structured interview method gives the possibility to answer the question more flexible and to associate around the given topic.

2.4.1 Primary data

In this research we have chosen observations, surveys and interviews as a part of our method to collect empirical data. We had the possibility to do observations since one of the authors of this research are working at a trading floor of a large Nordic bank. We had the possibility to observe the same persons for a longer time and how their behavior changed when they received new knowledge. A questionnaire was conducted to receive more accurate answers that gave us a better understanding and a bigger picture. Two interviews were also conducted; this gave us the opportunity to do follow-up questions regarding the questionnaire questions.

The survey was conducted with help from the selected theories about knowledge transfer and diversity. We also tried the survey on one of the authors with insight at one of the trading floors in order to see if we would get answers that we could analyze and work with. This trial survey is not accounted for in the actual research, as it was only to test the questions. The questions were changed several times before it could give us a satisfying result. The struggles were concerning the way of asking a question and not make it a question that is already leading the respondent to an obvious answer. The questions were also changed in order to not make them too complicated to answer. During the interviews we had the opportunity to explain what we meant with some of the questions, but as the surveys was completely
anonymous we did not have the possibility to explain specific concepts. We also took the time spent into consideration. We did not want the questionnaires or interviews to take too much time since we know that time is a scarce resource in the banking business, especially at trading floors where every minute can be worth a lot of money. Taking too much of the employees’ time would decrease the possibility to get many answers or getting complete surveys. 100% of the respondents completed the surveys and the interviews with a satisfactory result, meaning that all the data collected could be used in one way or another in the research process.

2.4.2 Qualitative interviews

According to Bryman and Bell (2013) interviews is a standardized method to collect empirical data for a research. Our interviews were semi-structured since it fitted our purpose better. We could also explain more of the background of the questions to make the interviewees understand better and answer the questions we actually were wondering about. We had semi-open questions we asked both respondents with the possibility to have a discussion around the topic that gave us the flexibility to make minor changes in the questions if we felt like that was necessary. We chose to let the interviewees be anonymous since this gave them comfort to answer with more honesty. The interviewees answered the questions as managers and not as a representative for the bank they are working at. This is something that we had to consider during the analysis since there is always a great chance that the respondents answer questions accordingly with the organization’s missions, values, goals and policies. But even if that person would change the workplace to another organization there is a chance that imprints and values would still be there. A person might be affected by an organization’s values and beliefs, that is the aim of it, but those values and beliefs never sound bad. By having values put into words that a person might believe in increase the chance that the person will use the same words again.
2.4.3 Secondary data

The authors have used many different types of secondary data. Literature was partly used to identify different methods of knowledge transfer and how social ties can have a positive impact on knowledge transfer. Furthermore, scientific articles have also been used that we found through different keywords and to clarify some concepts that was connected to our topic and literature. Some Internet sources has also been used, however only those who we have found highly reliable. We have mostly been using scholarly articles that have been peer reviewed and publicized in order to get the most trustworthy and validated theories.

In the theoretical part, we are focusing on themes that help us to better understand the knowledge transfer and how social ties could be connected to the problem in lack of knowledge transfer. The chosen themes help us to identify what makes knowledge transfer effective and what external factors might influence the flow of knowledge transfer in a bank. Moreover, we have also kept concepts that we found useful throughout the analysis, and those are all related to the topics of knowledge transfer, diversity, learning and socio cultural organizations.

2.5 Selection of respondents

In a qualitative interview, it is important to get as precise answers as possible so that the authors can highlight the phenomenon (Bell and Bryman, 2013). We selected the persons who according to the observations made could give us the best responses. One branch manager who works with wealth management in Finland and an employee who work with credit sales for a bank in Sweden. The respondents are from Nordea Bank respectively Danske Bank that are the two largest Nordic banks, which contributes to the trustworthiness and quality. We chose two banks since we wanted to make sure that the we are not only describing problems at one bank. Therefore, we send out the questionnaire to a relevant division in Finland where four employees are working. The interviews took place in Stockholm with the Swedish employee and by phone with the branch manager who is located in Espoo, Finland (suburban area to Helsinki).
2.6 Research quality

In order to reach a reliable and sustainable result in a qualitative research the researchers must study a specific event or topic (Merriam, 1994). To reach this outcome is it necessary to evaluate both the external and internal reliability and external and internal validity. The validity of the research measures the relevance of the research and if the information is used at right time, on the other hand, reliability measures the trustworthiness of the research. Bryman and Bell (2013) argues for the fact that validity and reliability can both be used in a qualitative and quantitative research. In order to closer describe validity and reliability we will present them in the next section together with transferability so the reader knows what they consist of.

2.6.1 Reliability

According to Bryman and Bell (2013) the reliability of a research is depending on how it is written and if the reader accepts it or not. All respondents in our questionnaire had the same questions which makes it available to compare them with each other that in turn gives higher reliability for this research. The interview questions were semi-structured which means that the same topics will be discussed with the both interviewees that in turn makes it relevant to compare these answers with each other. The questions for the questionnaire was carefully chosen after observation at the trading floor and the relevant topics for the interviews was chosen after the questionnaire was done that gave us the opportunity to do follow-up questions from the questionnaire. We consider this research to be highly reliable since we have made observations prior to the research and used sources from similar studies that are made prior to this.
2.6.2 Transferability

Transferability of a research depends on how transferable the results are to another surrounding (Bryman & Bell, 2013). The subjects and respondents we have used in this study differ in age, gender and experience but everyone is working within the same industry. We took in some Finnish respondents to see how it differs between Sweden and Finland within our research subject. However, this research can be used within the Nordic region but not outside it since the background of the bankers outside the Nordic region has a wider spread in their background.

2.6.3 Validity

The ability to prove and confirm means that the researchers are proving that the research is done in good faith. According to Bryman and Bell (2013) should it be clear for the reader that no personal feelings or emotions are taken into consideration from the researcher's perspective while doing the research. Neither can the theoretical alignment be chosen on a base so that the outcome of the research would not be valid. This research is made on an objective basis and the questions in the questionnaire was not leading in any direction that would have given the sample population a hint towards which direction we want them to answer. The interviewees were able to speak freely and we avoided to put any words in their mouth. Despite the fact that we are using both theoretical practices and empirical findings in our analysis part of this research, to find a connection, we have been able to remain objective that has given us the chance to create hypotheses.

2.6.4 Ethical principles

To get the best research ethical result possible, we based this research on four different guidelines during the empirical data collection; the role of the researcher, consent, confidentiality and consequences (Kvale & Brinkmann, 2009). Prior to the interviews and to some of the questionnaires, we had conversations with the respondents to share the purpose of the research and to and to see if they agreed on participating in this research. Regarding the
confidentiality, we asked the respondents what they thought about being anonymous or not, and most respondents thought that we would get more honest answers if they would be anonymous. The identity of our respondents did not matter for the result so we chose to keep their identities confidential. Instead, it was important for us that the respondents would answer the questions from their own personal point of view and not from their organizations’. There is always a chance that the organizational values have formed the personal point of view and that it will be easier to use words that they have heard articulated nicely before, when the respondents answer the questions. The respondents got to know the roles of the authors during the observations and the conversations prior to the questionnaire and interviews.

During the interviews, we confirmed what the respondent said to control if we understood their answer right. However, we were careful to not reconstruct their response to get their answers as natural and trustworthy as possible. According to Kvale and Brinkmann (2009) any participation in a study should not be bringing any negative consequences for the respondents. Our research aims to clarify and help the Nordic trading floors in their work with knowledge transfer and diversity. We do not think that the result of this study can be abused or used in a disadvantaging purpose against anyone. Due to the explorative character of the research where the results achieved can be used to advice Nordic trading floors, we do not see any reason that the results can be misused.

2.7 Analytical process

*Figure 1 – Own model of the analytical research process*
The research starts with an introduction where the reader will get a brief insight in the topic followed by the research problem and research questions. The introduction present the reader why the selected topic is relevant and the basics of knowledge transfer and diversity and some selected relevant theories that can be connected to this research. As seen in Figure 1, the introduction is followed by the methodology that presents how it has been used throughout the research. In this chapter is the character of research problem, research approach, research design, data collection methods and research quality presented for the reader.

After the methodology, the selected theories are presented that are considered relevant for this research and that can be used as a framework for the empirical analysis. The empirical part is a summary of our data that we have gathered through a questionnaire and interviews. In chapter number is the analysis and discussion presented followed by the last chapter where the conclusions are drawn for the research.
3. THEORETICAL FRAMEWORK

In the following chapter, we have created a theoretical foundation to work as a base for our project. We collected a comprehensive amount of information about knowledge transfer and diversity and will hereby present the most adhesive and representative theories about it. Due to the complexity of the theories it will work as help for the reader to clarify some concepts in order to facilitate the overall research field, and it will also provide a basis for the analysis of the empirical findings. Our aim is that this theoretical chapter will deepen the understanding about knowledge transfer and diversity.

3.1 Knowledge in organizations

Knowledge can be described in various ways. According to the Cambridge Dictionary by Cambridge University Press (2017) knowledge is the understanding of or information about a subject that you get by experience or study, either known by one person or by people generally. One older and shorter definition of knowledge is that it is “justified true belief” (Nonaka & Takeuchi 1995). A deeper definition is formed by Davenport and Prusak in 1998:

“Knowledge is a fluid mix of framed experience, values, contextual information, and expert insight that provides a framework for evaluating and incorporating new experiences and information. It originates and is applied in the minds of knowers. In organizations, it often becomes embedded not only in documents or repositories but also in organizational routines, process, practices, and norms.”

(Davenport and Prusak, 1998, p. 5).

3.1.1 Knowledge and competitive advantage

How can knowledge be a competitive advantage? And what type of knowledge can be competitive advantage? Firstly, we are going to compare external and internal knowledge.
Secondly, we are going to dig deeper into internal knowledge and see what we can do with it and why there may be difficulties for many companies to transfer it.

External knowledge is easily accessible and available to everyone. Information about customers and competitors can be found on the Internet or elsewhere. External knowledge rarely provides companies with competitive benefits when the external knowledge is more about having information than keeping, using and understanding complex knowledge (Dixon, 2000).

However, internal knowledge that is unique to a specific company is a more complex part of knowledge. How to sell the most expensive stocks on the largest markets, or how to implement the most efficient way of doing with a new IT system. This kind of knowledge is what can create competitive advantages for firms (Dixon, 2000).

Both external and internal knowledge is necessary for a company to survive. But to succeed, a company has to be able to not only use the knowledge but to keep it and transfer it to others in the organization that are in need of it (Dixon, 2000). Keeping internal knowledge is hard if someone change position or leave the company. They risk losing not only an employee but also important know-how about the processes and procedures in the company. Therefore we are going to describe more about knowledge transfer further on in this chapter.

3.1.2 Tacit and explicit knowledge

To make different definitions of knowledge clearer in the upcoming part of this project, we are going to explain the concepts behind tacit and explicit knowledge from theories of Nonaka and Takeuchi (1995). Knowledge that cannot be communicated through theories or manuals is called tacit knowledge and is best communicated through experience. In cases when we talk about “learning by doing”, we often talk about the tacit knowledge. Tacit knowledge can be achieved by harvesting knowledge from the other employees in the company. The experience linked to attitudes and beliefs is what together creates tacit knowledge (Nonaka & Takeuchi 1995).
While a simultaneous processing of information creates tacit knowledge, explicit knowledge is created in sequences and can be taken from theory without a context. In other words, explicit knowledge is what an organization can keep in routines and in their papers, and by letting new staff members read those routines they will get the knowledge from there (Nonaka and Takeuchi 1995). Therefore, we are mostly going to focus on the tacit knowledge throughout this project.

### 3.2 Knowledge transfer

Knowledge transfer in organizational theory is defined as the problem of transferring knowledge from one part of the organization to another (Teece, 1977). As an organization consist of people, the knowledge transfer can be between two individuals within an organization. The meaning of knowledge transfer is to organize, create, capture or distribute knowledge (Walsh & Ungson, 1991). The definition of knowledge transfer is similar to and contains everything that is defined in the concept of knowledge (Davenport & Prusak, 1998). Another way to explain knowledge transfer in organizations is that it is referring to the process where one department, division or group is affected by the experience of another group (Argote & Ingram, 2000).

Walsh and Ungson (1991) came up with a model that explains knowledge in organizations. It contains five boxes that includes individual members, roles and organizational structures, the organization’s standard operating procedures and practices, its culture, and lastly, the physical structure of the workplace. All these boxes of different knowledge holders should according to Walsh and Ungson (1991) be used in order to measure knowledge transfer. It also gives a clearer picture of between what actors knowledge transfer is happening. Argote and Ingram (2000) later tried to use this model to identify sustainable competitive advantage if they combined it with behavioral evidence on knowledge transfer. In order to understand the differential performance of organizations they took the different behavioral outcomes and looked at what type of knowledge transfer they have had. By looking at the different actors and the behavioral outcomes of the knowledge transfer, they can also see what kind of knowledge transfer would be more or less efficient for an organization.
Knowledge transfer is also referred to as a process by which an organization makes routines about knowledge available for the organizational members (Kalling, 2002). This can be a cost-effective way of extending knowledge bases and communicate unique skills of one beholder to many others. Knowledge is by many researchers looked upon as a source for competitive advantage (Österloh & Frey, 2000). Many companies are working with divisional units and profit centers to see the cost effectiveness for each part of the company. It is also for exploiting the advantages of the price mechanism by pinpointing the exchanges between the different departments or actors more explicitly and by rewarding organizational members accordingly with the result of their unit and the firm’s profit (Österloh & Frey, 2000).

3.2.1 Explicit and tacit knowledge transfer

A further important distinction within knowledge transfer has been made between explicit and tacit knowledge (Polanyi 1966). Explicit knowledge can be found in writing in routines or in symbols. However, only a small part of our total knowledge is explicit. “We can know more than we can tell.” (Polanyi, 1966 p. 4). The distinction between explicit and tacit knowledge is important in order to explain why and how to measure competitive advantage between firms. Österloh and Frey (2000) argue that tacit knowledge is stored by individuals and cannot be transferred between people as a separate entity as explicit knowledge can. Tacit knowledge is also harder to transfer as it is often based on people's’ experiences, and when experiences are transferred the receiver tend to interpret the information differently if it is not completely clear from the sender.

Tacit knowledge is the crucial source for competitive advantage according to Teece and Pisano (1994). They claim that competitive advantage stems from dynamic capabilities, which can be another definition of tacit knowledge. Teece and Pisano (1994) explains that this knowledge come from high performance routines inside the company that are influenced by its history and embedded in the company’s processes.

Tacit knowledge can also be connected with strong social ties. It is claimed to be transferred easier with strong social ties which is when tacit knowledge is transferred to people that you
share the same interests with or feel connected to (Nonaka and Takeuchi 1995, Kalling 2003). There are several studies on that people that are alike are more likely to share their experiences and knowledge with each other than with someone they do not feel connected to (Keegan and Turner, 2001). This subject is interesting because it can in some ways be seen as contradictory of what diversity stands for.

### 3.2.2 Knowledge as an intangible value

Organizational memory is a crucial factor today and it has become more important for managers compared to how it was a couple of decades ago. According to Jatinder et al (2003) the goal for an organization is to study what has been done in the past, both in positive and negative terms, and to be able to learn from the past. The organizations are facing the postindustrial society’s global competition and therefore knowledge can be seen as a key resource within the organization to survive (Bell, 1973). If this organizational memory is going to be sustained within a company, it is crucial to maintain an effective transfer of that organizational memory.

Authors such as Davenport et al (1996) are arguing for the fact that the biggest issues for effective knowledge transfer lies within the management. Managerial challenges occur in many large vertical organizations since the managers have been used to deal with tangible resources where human knowledge has not been an important factor to survive. Moreover, organizations are today learning from the past and accept the fact that knowledge management is gradually implemented in every organization (Skyrme, 2001). Every multinational pharmaceutical and oil company has adopted knowledge transfer as a part of their strategy. There is overwhelming evidence showing that intangible value of a company can be a big part of the enterprise value or several times more than their physical assets.
This is normal in biotechnology and tech companies such as Bayer, AstraZeneca, Pfizer, Google and Facebook (see Figure 2). A pharmaceutical company called Glaxo Wellcome had on their balance sheet in 1999 stated that they have assets worth $10 billion and despite the fact was the company valued to over $50 billion at the same time (Skyrme, 2001). Companies such Glaxo Wellcome (today called GlaxoSmithKline plc. after a merger with SmithKline Beecham in 2000) are able to value their knowledge better than a steel manufacturer since much of their value lies in patents, R&D and know how. There seems to be no compelling reason to argue that Bell (1973) would have been wrong when he stated forty-four years ago that knowledge is becoming the organization’s key resource to survive in the global world.

3.2.3 Expanding network with social ties

A small organization differs from a large one in the way that in a small organization everyone can know each other and also have an idea what they are working with. One of the best ways to share knowledge is through face-to-face conversations, by talking in the phone or by chatting/sending emails (Bartholomew, 2008).
“You can work at the trading floor for your whole life but you still have no idea of what the person on the other side of the desk is actually working with”

(Quote from a Nordic trader during an observation in February 2017)

A study presented by Bartholomew (2008) shows that less than three percentages of employees knew what employees in other offices was knowledgeable about. Furthermore, 55 percent only had a small idea of what the employees in their own office were knowledgeable about. An important notice in the study addresses the fact that junior employees had significantly less contacts and knowledge about what other employees were knowledgeable about. Other authors such as Goh (2002) is on similar lines with Bartholomew and states that many organizations have huge problems in finding the right knowledge and thereafter maintain it so they can in the future apply it to other employees.

Local networks can be seen as an effective way to share knowledge since when people are working in projects and new people are coming in cannot all information be written down. Hanssen (1999) and Granovetter (1979) argue for the fact that strong ties are an effective way for knowledge transfer. This fact can be compared to other authors (Bartholomew, 2008; Goh, 2002) that when people do not have social ties with other employees’ information cannot flow between them. However, if a person from two different departments spend an evening together or share some interests is it more likely that they will be able to know what the other person is knowledgeable about as many organizations are struggling with (Bartholomew, 2008).

3.2.4 Organizational Culture

Organizational culture has been long known to be a successful factor for reaching goals within organizations. By this we do not aim on large multinational companies since their organizational culture is relatively new. After the Second World War many generals became leaders in organizations and were able to learn teamwork within the organization. Military have had an important role in shaping modern organizations and some business leaders are
obsessed with the “The Art of War” written by Sun Zi approximately 2500 years ago (Beyer, 2014).

With this said, we are able to build modern organizational culture by studying history. According to Alvesson (2002) the concept of culture is referring to much more than only the social pattern within the organization. The culture also includes everything that happens on the surface of the organization. Hanssen (1999) and Granovetter (1979) are on the same track with their theories about social ties within the organization. Other authors such as Goh (2002) are stating the same fact as Alvesson that organizational culture is a broad concept. However, all authors agree on the fact that organizational culture has a significant impact on the knowledge transfer within the organization.

Cooperation in the organization is essential in the company and an important variable to reach cooperation is trust between the employees (Smith et al 1995). Without any efforts to achieve trust among the employees the organizational culture will not have an impact on the flow of knowledge within the organization.

Conversely, unilateral decision-making, a secretive environment, and a lack of information will inhibit trust. Clearly, a climate of low trust will result in poor cooperation, which in turn reduce the frequency of communication and the degree of willingness to share information.

(Goh, 2002)

According to Hanssen (1999) strong social ties are helpful for effective knowledge transfer within different units within the organization. However, he does not mention if trust is an issue for cooperation that would provide a better flow of information. If an organization wants knowledge transfer to work well, the cooperation between employees and division must be well established and trust among employees must be found. With these aspects, it is easier to see a link to Hanssen (1999) and Granovetter (1979) and their social ties. If the organization wants to build up an organizational culture with trust and cooperation among the employees’ social ties is one way to succeed.
3.2.5 Organizational memory

Organizational memory is all accumulated information, knowledge and data that an organization has acquired during its existence. Organizational memory is linked to knowledge management and knowledge transfer since it can be either stored in a database and the employee’s memories. Moorman and Miner (1998) suggest that improvisation would be a way for organizations to reach a better memory. There are not any other studies supporting this claim. Furthermore, Gupta and Sharma (2003) argue that networked computer systems would help organizations to capture important data. It is highly important for an organization to learn from the past and using data from computer systems can be one way. Every bank uses computer systems to capture data but the dilemma arises when there is no employee who knows how to get the data if the employee turnover is high. By contrast, if the information or knowledge is stored in an individual’s memory, that is common within the banking sector, how can another employee access this knowledge?

Documenting projects is studied to be an effective way to reach better organizational memory and make it available for all employees (Keegan and Turner, 2001). Authors such as Goffin and Koners (2007) are on the same line stating that recording projects is essential for making an even better outcome in the following projects. According to the authors is it essential to record the most relevant experiences. An overflow of information may not necessarily contribute to better and faster knowledge transfer if many unnecessary details are recorded among the important. Moreover, many authors are focusing on how different types of knowledge and information should be stored for later purposes and believe that it would be beneficial for the organizational memory. However, fewer studies are made on how the knowledge transfer from an individual’s memory should be transferred to another one and how high employee turnover ratio will decrease the tacit knowledge and disappear from the organization. Personal experience in individual’s memories cannot be stored in a database and when key persons are exiting the organization this knowledge will decrease and leave the organizational memory. The question that arises is how the organization can make their memory better if they know that the employee turnover is high?
3.2.6 Learning styles

A learning style is a way someone can adapt another individual’s abilities. This should not be seen as an ability itself but a way to use another individual's abilities (Sternberg, 1994). Various learning styles should not be seen as either good or bad, they should only be viewed as different. Every individual has a different learning style, and many different styles should be seen rather as a positive factor rather than a negative one. We have seen great evidence during the last years that different learning styles are sold through commercials and this cannot define a specific individual’s learning style, by contrast it categorizes the learner into a specific learning style that the company has to offer (Pashler et al, 2009).

Some individuals prefer to learn through visual learning styles, and in these cases the best learning style would be to learn through illustrations and not by reading books. Some researches suggests that this would be the most effective way to interpret learning in the organization and by this mean reach the best outcome (Sternberg et al 2008). This issue has been widely discussed and studied and authors such as Willingham (2005) claims the complete opposite. According to Willingham (2005) an organization cannot tailor their learning styles since in an educational practice would this be a waste of both time and resources since it will not lead to a better outcome. Therefore, this research will try to find out what learning style would be best for employees at a trading floor and if the learning would be tailored, and if it could be beneficial for the organization in the long run.

Many studies have been made for finding the best outcome for learning styles that could then be adapted into an organization for reaching the best outcome. It is questioned whether learning agile individuals are fully flexible and can adapt to new situations by quickly adapting to new styles of learning that is necessary for absorbing the knowledge (Hallenbeck et al 2011). The authors made a large study for the Korn/Ferry Institute and chose 1245 managers from four global parts of the world out of a database with more than 2,240 candidates and studied them precisely to see if the statement was true. After their empirical analysis, the researchers from the Korn/Ferry Institute came up with that all managers could be categorized into seven different profiles; problem solvers, trailblazers, champions, pillars, diplomats and engineers (Hallenbeck et al 2011). In the second step the researchers learned to know the profiles face-to-face and put them to work and they came up to the conclusion that some assignments were tailored for the managers while others needed to be taught. This
study will further help us to make a better analysis about the employees at the trading floor and find out if the sample population can be categorized into different categories as Hallenbeck et al (2011) were able to do.

### 3.3 Diversity

The meaning of managing diversity in organizations is to manage social environments and systems along with organizational climate and procedures (Carell et al, 2006). Many organizations have also chosen to write workforce diversity policies or programs. There are several ways to define diversity. According to Bergen et al (2002) an organization’s attempt to manage diversity is about assuring that no group or person is being discriminated based on age, race, gender, disability, ethnicity, or religion. In Sweden this also includes trans gender identity or expression since January 1st 2017 (Sweden.se, 2017). For Swedish employers, this updated discrimination law also includes making active measures of how they work to enhance the diversity at the firm. Active measures are defined as "preventive and encouraging measures taken within an organization to prevent discrimination, as well as working towards equal rights and opportunities for all individuals within the organization, regardless of the individual’s sex, gender identification, ethnic origin, religion or belief, disability, sexual orientation or age" (Bird & Bird, 2017).

#### 3.3.1 Why organizations manage diversity

From the origin of the Civil Rights Act in 1964 the work with diversity in organizations has changed (Fullinwider, 2001). It has been updated, uplifted and it is now not only a necessity, but also trendy and a common unique selling proposition in terms of employer branding to work with diversity (Bergen et al, 2002).
3.3.2 Why diversity in organizations is a complex dilemma

Companies are always striving after getting better and to succeed at things, which is one of the reasons why diversity is so strongly included in HR policies around the world. The striving after giving an equal opportunity sounds nice and as an obvious thing, but in theory it is more complex than that (Guevare et al, 2016). When recruiting, being more diverse may lead companies to go past the most qualified candidate and hire the candidate that belong to an underrepresented minority instead (Glazer, 1973). Hard pressure from governments in different countries has many times led to taking affirmative actions instead of picking the most qualified person for the job (Glazer, 1973; Oxford University Press). This is also a standard for many schools where some positions are saved to a certain group of applicants in order to make the applications process more fair and diverse (Cummings, 2004). These examples have all been created to compose a positive discrimination, in favor of those minority groups that has been suffering from discrimination (Oxford University Press).

3.3.3 Diversity among Nordic organizations

Women can be seen as a valuable asset for a corporation and its board of directors since they are proven to decrease the level of conflict among employees and directors (Nielsen and Huse, 2010). Diversity within organizations can be seen from an organizational view as well as a goal itself when other organizations argue for the fact that women should be hired from a shareholders’ perspective (Randøy et al, 2006). A study by Randøy et al (2006) was conducted by studying the 500 largest companies in Scandinavia. Diversity among employees and directors are not related to the valuation on Nordic companies and high diversity among employees and directors are not related to a lower performance for the company (Randøy et al, 2006). There is no significant relation between diversity in terms of sex, age and nationality on the company’s performance, share price and Return on Assets (Randøy et al, 2006). There are however less studies conducted on whether the flow of knowledge is affected by diversity among Nordic organizations.
4. EMPIRICAL DATA COLLECTION

In the following chapter, we will briefly present the two banks we have been studying and how they describe themselves in terms of diversity and how their knowledge transfer works. Thereafter the findings of our questionnaire and interviews are presented together with a table with the most important empirical findings.

4.1 Danske Bank

Danske Bank is one of the leading Nordic banks headquartered in Copenhagen. It’s the largest bank in Denmark and operates mainly in the Nordic region and Baltics with smaller subsidiaries in the United States and Northern Ireland. Danske Bank had over 19,000 employees in the end of 2016 and made a DKK 3,772 million profit before tax (Danske Bank Annual Report 2016). Overall, Danske Bank was highly satisfied with the previous year both in the markets division and the retail division where they are thriving for a more digitalized platform. They are owners of the application “mobile pay” that is the only leading mobile money transferring application in Denmark and Finland. Danske Bank has not been as active as other Nordic banks in applying diversity into their daily operations. However, this is something that has been recognized internally and externally and therefore are they now applying this factor into their HR-policy.

“The changing needs for skills calls for more attention to diversity. It is not enough to consider gender equality and women in management positions. We need a workforce with a variety of backgrounds that mirrors society and our customers.”

Henriette Ellekrog  
Senior Executive Vice President HR
4.2 Nordea Bank

Nordea Bank is a Swedish bank and financial services group with its headquarters in Stockholm, Sweden. Nordea Bank was created in 2000 when banks from Sweden, Norway, Finland and Denmark made successful mergers and acquisitions and created the leading bank in the Nordic region. Nordea made a small decrease in their profit before tax for 2016. In 2016, they made a 4,625€ million profit compared to 4,705€ million in 2015 (Nordea Bank Annual Report 2016). Furthermore, they had overall a successful year as well but suffered from some problems concerning tax planning in Panama that is seen as unethical in many countries. Nordea Bank had 30,871 employees (Nordea Annual Report 2016) in the end of 2016, which is approximately 38% more than Danske Bank had at the same time. The digitalization of the bank platforms are trending among banks, worldwide, and this is also something that Nordea is thriving for. Nordea Bank is more open about their diversity compared to Danske Bank and are clearly describing how they see on diversity within the organization in their annual reports.

“My vision for the future Nordea is to be a bank that is personalized and relevant for each and every customer.”

Casper Von Koskull
President and Group CEO

4.3 Questionnaire findings

A questionnaire was conducted in the purpose to gather data that will relate the theories into real life issues within the bank. The questionnaire was sent mainly to traders in Stockholm who works on a Swedish trading floor. However, the authors found it interesting to compare it to a bank in another country to see if there is some similarities or disagreements. Therefore, the authors found it relevant to send the questionnaire to a batch of 18 traders in Stockholm and also to four bankers who works within private and retail banking (wealth management) in Finland. The authors found it relevant to keep the batch small so that we can get as precise answers as possible when we know that only relevant persons for this study will answer the
questionnaire. Moreover, the authors randomized all respondents and handed the questionnaire on a paper version to the sample population.

4.3.1 Introductory questions

The first question stated in the questionnaire (In which division do you work?) was to ensure that the questionnaire would not have any errors regarding division of work for the sample population.

![Figure 3 – In which division do you work?](image)

As the authors expected all of the traders (81.8%) at the Swedish trading floor work on the markets division, which to simplify means, that either they are trading bonds, currencies or stocks. The sample population from Finland (18.2%) chose to answer other and specify within which division they work. In the follow up question chose 75% (3 respondents) of the Finnish sample population to answer “Retail Banking” and 25% (1 respondent) specified “Wealth Management”. All of these specified answers can in Sweden be labeled under “Private Banking division” and therefore do we not see an error in the question.

The second questionnaire “In which country do you work” in our questionnaire was also conducted in lines with our first question to both ensure that right sample population have done the questionnaire and to compare our following questions to the country of working residence.
In which country do you work? (22 svar)

The answers were as the authors expected and wanted to be to fulfill this research. Out of 22 respondents did 18.8% (22 respondents) work in Sweden and 18.2% (four respondents) did work in Finland.

4.3.2 Related questions - Ethnicity

Since the authors are interested in how different persons within banks, and especially on a trading floor, want to share their knowledge to others, questions regarding nationalities, age and gender was asked due to the aspect of knowing the ethical background of the sample population.
Every employee was working in the same country as his or her nationality despite one respondent whose nationality was Finnish but worked in Stockholm. To put it in other words, 95.5% of the respondents worked in their home country and the remaining 4.5% was born in another EU-country.

To get the median age of the sample population was the following question the age of the respondent that could be given in a time span of 5 years.

The median age for the sample population is 32.5 years since the median respondent is between 30-35 years old. Since exact age is irrelevant for this research and to simplify it the authors have assumed that he is 32.5 years old that is in the middle of the age span.
Gender plays a great role in this research, and therefore we have asked the sample population to fill in their sex. The sample population was chosen randomly and based on observations can this percentage be seen as highly accurate for a trading floor.

Females stood for 13.8% of the respondents respectively 86.4% were men who took part of our questionnaire. It’s extremely hard to determine when the public sees a specific industry as “gender neutral” however, out of this fact, can it clearly be stated that the banking industry and especially the trading floor is relatively dominated by men.

**4.3.3 Related questions – How to be trained**

The following questions is regarding how the respondents have been trained when they first started their job, if they wanted to be trained differently and how, for how long the introductory training lasted for. These questions were asked to be able to analyze how it has been and in order to see what type of training would be the most efficient one at Nordic trading floors.
The median length of the respondents’ employments at their current bank was five years. 18.2% had worked there for five years and 13.6% had worked there for less than one year. This number does not show anything in particular connected to the theory, but to the fact that people often change jobs. It does not show how much experience the respondents have in the banking business since the person with less than one year of employment at the current bank may have worked at another bank for 15 years before.

81.8% of our respondents were trained by learning by doing, meaning that they had to experience different new situations, reflect and learn from those experience. 22.7% was
taught their job through a trainee program. In a trainee program the employees have been admitted to a learning program where they get to rotate between different departments with the goal that one day they are going to possess a leader position in the company. 18,2% were trained by a mentor. A mentor can be another person, often a colleague or a manager. Only one respondent was taught by e-learning. E-learning can be single courses online or online programs, often followed by a test to certify that the course participant paid attention to the knowledge. This result shows us how the knowledge transfer is in the beginning of a career at Danske Bank or Nordea.

![Figure 9 – Did you prefer to be trained differently at the moment?](image)

11 respondents, meaning 50 % of the sample population was satisfied with the way that they were trained in. The other 50 % wanted to be trained differently. 36,4 % would rather have been taught by learning by doing, 31,8 % by mentoring and 13,6 % would have been more satisfied with the learning process if they would have been admitted to a trainee program. This result gives us information about the satisfactory levels of knowledge transfer among bank employees today.
The question about how many weeks of learning the respondents got during their introduction when they started gave widely differing results. 45.5%, consisting of 10 respondents, answered that they had more than three months of training while 40.9%, consisting of 9 respondents, had less than one week of introduction at their current position at the bank. The knowledge transfer periods will be a factor to take into account in the analysis, both for the reason that the result had a great variety, but also because the interpretations of an introduction or time training may have been different for the respondents. Some may have interpreted the question as of the active amount of time that was spend on time learning and before they could do anything productive. Others may have answered the question for how long time they had activities to learn their new job, which is the way that the authors interpret it.

4.3.4 Related questions – Relation to the person who transfer knowledge

The questions regarding the relations to the person who transferred knowledge were asked due to determine whether the sample population preferred a buddy-relation or not. The questions were also asked in order to see what social bond the knowledge receiver had to the transmitter today and how they would prefer it to be.
90.9% of the respondents answered that a colleague from the same division trained them. Only one respondent was trained by a colleague from another division. The other options were mainly there to give the respondents an alternative to choose and we have already gotten answers on how many were trained by e-learning and by a trainee program. This question is creating a foundation for our work with diversity and social ties together with the upcoming questions.

50% of the respondents are friends with their trainer/mentor today, and 50% of them are only colleagues. With no further clarification in the question, this is also a question that would be easy to interpret in different ways. We could have added a third option and changed...
one option here to “friends at work” and “friends that I spend my spare time with”. However, friendship is interpretable in different ways and therefore the answers are also different.

![Figure 13 – How would you prefer your trainer to be?](image)

This question was asked to determine how important the social ties are when knowledge transfer is happening in the beginning of the employment. 54,5 % of the respondents thought that it did not matter how their trainer was, personality wise. However, 40,9 % thought that their trainer should have a similar personality to themselves. 22,7 % wanted to opposite, that their trainer should have a different personality than themselves. Same gender, same nationality and approximately the same age got 4,5 % of the answers each.

### 4.3.5 Related questions – Similarities among colleagues

The last three questions of the questionnaire were asked to see how the sample population reason about being like-minded or not. They got to answer if they think it is important to share the same interests with their colleagues, if they voluntarily spend time together and what their hobbies are.
The reason that this question was asked was to ensure that social ties was important for the sample population. 63.6% of the respondents answered that it was not important to share the same interests with the colleagues. According to the observations that were made prior to this survey, almost everyone are sharing the same interests that work at the two different banks. However, the question is asking what they think is important and not how it is today. Moreover, 36.4% think it is important to share the same interests with the colleagues. In this survey the respondents are anonymous in terms of who they are, therefore the influence over the selection and recruitment process is not possible to comment on to see if the influencers think it is important or not.
Figure 15 – Do you (voluntarily) spend time with your co-workers outside the workplace?

90.9% of the respondents answered that they are voluntarily spending time with their co-workers outside the workplace. This is in accordance with the observation that was made prior to this survey. The question was asked due to the curiosity weather it is important or not to have strong social ties in the workplace where knowledge is being transferred.

Figure 16 – What are your hobbies?

It was possible to write a free text answer on the question about their hobbies, therefore the hobbies are presented in the table below.
Gym/exercising/work out | 4 respondents
Sports | 5 respondents
Golf | 4 respondents
Socializing, family and friends | 4 respondents
Wine, food, dinner and drinks | 3 respondents
Tennis | 2 respondents
Skiing/snowboarding | 2 respondents
Sailing | 2 respondents
Biking, motorcycling | 2 respondents
Arts | 1 respondent
Economics | 1 respondent
Football | 1 respondent
Ps4 | 1 respondent
Travelling | 1 respondent
Learning | 1 respondent
Stock trading | 1 respondent
Historical literature | 1 respondent
Music, bands | 1 respondent
Politics | 1 respondent
No time for hobbies | 1 respondent

As we can see in figure 17, most popular hobbies are going to the gym, sports, golf and socializing with family and friends over dinner and wine. It was not many that wrote the exact same answers, as they had to write a free text answer on this question. However, even if they are not completely the same we can place them into cluster of sports, socializing and culture. Here we can clearly see that sports are the most common interest among the
respondents at Nordea and Danske Bank. What we also can see is that it was only a few people choosing culture, politics and history as their interest. As this was a free text answer the respondents had the possibility to write as many interests as they wanted, and in average they wrote 1.77 interests each.

4.4 Interview findings
The full interviews are presented in the appendix in the end of this research. However, we will hereby present a brief conclusion of both interviews. The interviews were conducted on the 5th and 6th of April 2017 and lasted for 43 and 48 minutes.

Both the interviewees had a master in economics as academic backgrounds, and they claimed that their colleagues had similar backgrounds. This question was asked to see how similar the managers were to their co-workers. However, the interviewees work differently when it comes to working with knowledge transfer. One of them are working with comprehensive educations where new employees are introduced with an eight-week program and thereafter get follow-ups by a mentor through a year after their introduction. The same interviewee also works with specialization programs that the employees can choose to join if they are interested. The other interviewee answered that they are working with e-learning and that the employees are having meetings with their manager every third month, but many times there are no introductory programs and the employee has to take its own responsibility and get to learn things themselves.

When the interviewees were asked the question about how trust is established in their department and if they think it is connected to knowledge transfer they did not agree on if knowledge transfer is connected with trust. According to one of them, the banking business is in a very competitive environment and people do not truly trust each other if they are not working closely together. More knowledge would have been shared if everyone trusted each other. However, the other interviewee did not think that trust was connected to knowledge transfer and that trust was established through a powerful leader.

Both interviewees claim that their departments are recruiting the best qualified candidate when hiring new talents, despite their gender, age, race and nationality. They also said that
they are either trying to recruit 50/50 women and men or that they are focusing on bringing in more women to their departments. When they are asked how diversity is implemented in their departments they are still focusing on how they are working with their equal recruitment processes where the most suitable person get the job. However, they both think it should be someone likeminded in order for them to cooperate well. “You can teach a new employee finance, but you cannot teach a person to be nice.” (Interviewee working at a Nordic trading floor, 2017-04-05).

The employees at the departments of our interviewees are dominated by men and everyone have the same nationality. Here our observations about a homogenous workforce gets confirmed again. However, both interviewees claim that they see positive aspects of having a diverse workforce in order to see things from different perspectives. One of them is mentioning one negative thing, and that is that it might be hard to understand each other if you do not share approximately the same background and that it can be expensive to take a chance with someone with a background in for example behavioral science or mathematics. Nationality and gender is not mentioned by any of the respondents during this question, even though we earlier clarified that they want people to be likeminded and the lack of minority people recruited to their departments shows that they often do not think that women or people with a different nationality is recruited to their teams.

Moving on from diversity and back to knowledge transfer, there are divided thought whether they would have needed more learning or not. However, both of them do believe that knowledge at their bank is giving them competitive advantage. They do not seem to be afraid of losing knowledge when losing their employees due to either superior knowledge systems or simply by communicating the knowledge to each other. The risk of losing costumers seems to be a greater fear. A lot of the knowledge they have are saved into databases, despite the tacit knowledge that they trust will be communicated among the people involved. Effective knowledge transfer is according to our respondents either obtained through intensive introductory programs or by socializing and having meetings. That is also how their knowledge at their banks are being transferred, and one of them is also mentioning that they are having seminars for their employees when they have been attending an education in order to not be the only one with the knowledge. The organizational culture is by one respondent described as it is built of passion, trust and experience and that people want to generate and
earn money. The other respondent is referring to socializations through dinners and activities after working hours but also that they have clear values, beliefs and principles.

5. ANALYSIS AND DISCUSSION

The following part provides an analysis and discussion of the theories about knowledge transfer and diversity and how they are connected to the empirical data gathered through questionnaires and interviews. This will give the reader a deeper understanding of the reasoning and it will also serve as a foundation for the conclusions.

5.1 Expanding networks and social ties

Almost every one of the respondents in the sample population (90.9%) chose to answer that they spend voluntarily time with their co-workers outside the workplace. According to Batholomew (2008) one of the best ways to share knowledge is through face-to-face conversations, by talking over the phone or sending e-mails and chat messages. The fact that most of the employees spend voluntarily time with their co-workers outside their workplace argues in favor for the theories presented by both Hanssen (1999) and Granovetter (1979) where they state that strong social ties are key factor for successful knowledge transfer.

The data appears to suggest that social ties are important within the banking industry and especially within investment banking where colleagues often spend time with each other both in the office and outside it on their spare time. From the interviews we held we found out that the banks are using local networks where they may save data and information from previous projects and clients where every employee from the same division may find it and use it to gather the information that is needed. Through our observations, we found out that the evenings that are spent outside the office with the colleagues are almost always from the same department and each department spend time with themselves and do not invite other divisions. Therefore, the trading floors see some troubles in knowledge transfer within different departments. According to Bartholomew (2008) many organizations are struggling with the same problem as the Nordic banks do, and if possible, a new knowledge transfer
policy should be implemented here so that different divisions can learn and share knowledge better with each other than they are doing at the moment.

Since the majority of our sample population (63.6%) chose to answer that their colleagues do not need to share same interest with themselves we can at this point argue for the fact that a Nordic trading floor is not necessary so homogenous as it is often described. However, through our interviews we asked what type of education they had, and both interviewees had a Master in economics. A closer look into the data gathered indicates that most of the sample population shares the same hobbies and interests or interest within the same category. This in turn indicates that most of the employees at a Nordic trading floor more or less have the same background. They are all born in the country they work in, everyone has an academic background connected to economics and most of them share the same interests outside the office such as sports and/or drinks and dinners with friends. According to the data gathered we can clearly see that most of the employees are similar to each other in terms of personality and therefore, may some persons indicate that it is not relevant to share the same interests with their colleagues since they in terms of personality do it anyway.

5.2 The organizational culture’s impact on knowledge transfer

In our sample population 90.9 % said that they are voluntarily spending time with their co-workers outside the workplace. However, 63.6 % of them said that it was not important to share the same interests. Organizational culture is more than just sharing interests and spending spare time together, it is about the personality of the organization (Granovetter, 1979). Even though the employees of these two banks are spending time together because they want to, they still leave the organization open to those whom they are not sharing the same interests with.

36.4 % of the sample population thought it was important to share the same interests. Due to the anonymously answered surveys it is not possible to tell who the biggest influencer are when it comes to the selection and recruitment process where new people are selected to join the organization. They might belong to the group of people that think it does not matter if new employees have the same interests or not, but they might also belong to the third part
that think it is important that they do. Cooperation is discussed as a great part of organizational culture, and some people refers good cooperation as something possible between different colleagues regardless of the interests. Smith et al (1995) claims that the organizational culture must encourage trust in order to reach cooperation. Lack of information will together with unilateral decision-making and secretive environment inhibit trust. An organizational culture with low trust among the colleagues will result in poor cooperation and will have a bad impact on the willingness to share information, which will reduce the frequency of communication (Goh, 2002).

The organizational culture might impact knowledge transfer in a harmful way if the cooperation and trust is not established. A good organizational culture, which can be compared with a good organizational personality, consists of people that cooperate, communicate well and trust each other (Hanssen, 1999). The interviewee from Nordea claimed that like-minded people that like to generate and earn money influenced their culture. The organizational culture at Nordea is, according to our interviewee, built on passion, trust and experience. According to our other interviewee from Danske Bank their organizational culture is built on clear values, beliefs and principles. They have a relaxed atmosphere and everybody says hello to each other in the corridors. But at Danske Bank one person also quoted that you could work your entire life on the other side of the desk and not know what that other person was doing. So even if the atmosphere is relaxed and people are sharing the same interests it does not mean that the communication about what matters when it comes to knowledge transfer is good. According to our interviewees, sharing knowledge with those who knows less seems to be more common at Nordea than in Danske Bank. What Goh (2002) points out about lack of trust and willingness to share information, the trading floor at Nordea is doing well in accordance with that model. The trading floor at Danske Bank has a good vibe but no deeper connections where they share their work secrets for each other.

5.3 Tacit and explicit knowledge

Tacit knowledge is created and maintained by keeping routines in the organization and to let employees take part of any available information that in this matter can create knowledge transfer between employees in the organization (Nonaka & Takeuchi 1995). Some explicit
knowledge is hard to transfer from one employee to another such as experience. According to Chug (2015) tacit knowledge, except experience, can also be defined as special skills and ideas, and these factors are hard to transfer between employees as well.

Therefore, we can argue for the fact that tacit knowledge can be seen as competitive advantages for banks and trading floors in the Nordic countries. In our interviews we found out that the banks find themselves to have competitive advantage over other banks since they do not loose tacit knowledge to their main competitors. To put it in other words, if one experienced employee with a lot of tacit knowledge such as skills and experience that cannot be transferred to another employee leaves the trading floor for a competitor this can be seen as a drop in their competitive advantage. However, we found out that according to the trading floors’ own personnel, they do not think that their turnover ratio in employees are high which is debatable for how long an employee should stay in the same bank for reaching the best outcome in terms of tacit knowledge.

In terms of knowledge management tacit knowledge can be acquired by an employee through observations and practices with help of a mentor. Our sample population gave clear answers on how the majority were trained when they were assigned their jobs. Of all respondents 81.8% learned their new job tasks through learning by doing which clearly indicates that this is the most common method the banks are applying to their new employees. Basically, it means that the new employee get a computer and a table with a chair and has to start figuring out how the new role should be possessed. A minor part of the sample population (18.2%) had a mentor throughout their start who were able to give clear instructions and help them that in turn lead to a faster learning curve. By mentoring the new employee will receive information in a faster tempo than without since they are able to find it significantly faster with a mentor than without one. The interviews revealed that the employees at Nordea get an own mentor, follow-up on the learning process during the first year and also eight weeks of training program when they start.

Other notable factors are that 50% of the respondents of the questionnaire would not want to be trained by a different method, which means that, according to themselves, they are not in need of mentoring. However, 36.8% (7 persons) of the sample population answered that they would want to be learned through mentoring if they could choose right now. This answer gives different outcomes and makes it hard to precise exactly why some employees want to
be trained through mentoring and others not. By analyzing each questionnaire sheet separately, we can however see that six of the respondents who answered that they would want to be trained with a mentor are relatively new in their respective bank with only a couple of years of experience. The respondents who had attended a trainee program did not find it necessary to learn with a mentor and indicates that they may see themselves as “fully learned”. With this data analyzed, we can argue for the fact that new employees (with only a couple of years of experience) who have not attended a trainee program would acquire knowledge faster if they were able to have mentoring sessions at work.

5.4 Knowledge as an intangible value

Neither Danske Bank nor Nordea have claimed that knowledge transfer is a part of their strategy. According to Davenport et al (1996) the main problem for organizations to create effective knowledge transfer lies within the management. The human knowledge has not been seen as important as general knowledge in the past, but decades ago when people were staying longer at the same job than today, it was easy to ignore the fact that one employee could just leave with all the knowledge.

The respondents of the interviews claim that their knowledge is a competitive advantage because they do not lose important employees with key knowledge positions to their competitors and because their knowledge is of superior quality. However, this is hard to control since one person is in quarantine towards joining competitors three months after leaving the company according to our observation. However, after the quarantine they do not know if the former employee will contact its old network or bring company processes and secrets with them to a new bank. Moreover, it is possible that they purposely make a poor introduction to a new organizational member about old customers. If the employees that will quit are going to join a similar company it is possible that they want to impress the old customer with new offers and leaving to poor impression back with the old company.
5.5 Organizational memory as competitive advantage

Organizational memory can be seen as competitive advantage and according to Dixon (2000) external memory does not provide as much competitive advantage for a company that internal memory would do. Internal memory can be seen as more complex and not easily transferable from an employee to another and in order for a company to survive in today’s ever changing environment, the company must be able to obtain both internal and external memory. The external knowledge can be found through different channels (e.g. internet) and is easily accessible for everyone, for example if an employee wants to know how much a bond is trading for or how much revenue their client made previous year.

According to Gupta and Sharma (2003) computer systems and databases are an accurate way to store important information that in turn would have a positive effect on the company’s competitive advantage. However, as we have pinpointed out a lot of information might be shared in experience and skills that are hardly transferable to another or new employee. The interviews we held differed largely between the two banks in terms on how to share the internal information between employees. While one bank might lose a lot of competitive advantage when an employee quits and leave the firm the other interviewee said that it does not matter for them since they are all highly trained and have shared information with their colleagues throughout their whole career at the bank.

Furthermore, Moorman and Miner (1998) suggest that a company could benefit from improvisation that would make their organizational memory better. We do not see their claim beneficial for a bank in any way and also Gupta and Sharma (2003) who suggests computer systems and databases for better organizational memory is questionable whether it actually would increase a bank’s and their trading floors organizational memory better. The employee from Nordea who claimed that their competitive advantage would not be affected if some of their employees leave the bank since each colleague is well aware of the other one's tasks and can continue with them if necessary. They are also highly trained and have a mentor who helps them for a longer period of time when employees at Danske Bank would be in need of
mentoring according to themselves. By analyzing the data from the two different banks we can clearly see a difference in their training methods that can have a positive impact on the bank’s competitive advantage if they are properly trained. Every employee at Nordea (Finland) has a at least an introductory course that lasts for eight weeks, this is not the case for Danske Bank where many employees feel that they would need to change their training methods for new employees. Moreover, the interviewee from Nordea indicated that many of their trainees who are assigned a one year trainee program receives good job offers from other companies at the end of their trainee since their competing companies are so well aware of the training quality at Nordea.

5.6 Learning styles

Hallenbeck et al (2011) made a study based on 1,245 managers across the globe and divided them into seven different categories. However, we were not able to categorize our sample population since it would have needed more interviews where we could better analyze the behavior of all our respondents that is best done face-to-face.

Despite the fact that we could not categorize our sample population we can argue for the fact that the different theories about learning styles are all matching with our data. Authors such as Pashler et al (2009) argued for the fact that between employees there are no “right or wrong” on how different individuals prefer to absorb knowledge and learn. As we can see in the data we collected from our sample population the range of learning styles are different in many terms. Out of the 22 respondents, 50% said that they are not in need of training while the rest were pretty evenly split between desired training at the bank. The sample population who wanted to continue their learning were in favor for both mentoring (36.4%) and by learning by doing (36.4%). Furthermore, 13.6% found a trainee program interesting and would want to do a one-year rotation program. In contrast, off the whole sample population were no one interested in e-learning, the exact reason why this option is not attractive can we not specify in this research.

Due to the large gap in desired learning styles between the employees we are on the same line with Willingham (2005) who states that an organization cannot tailor their learning programs
since it would be both a waste of time and money. In our data, we can clearly see that the options in desired learning styles are so wide that a single learning program for each employee would not work in the long run and would be a huge cost for the organization. Surprising is the fact that no one were in favor for e-learning that actually are a part of the learning methods both in Danske Bank and Nordea bank. The reason for low interest in e-learning should be studied in further researchers, but we can, according to our data, state that the banks are wasting huge resources on e-learning that no one is interested in. This could be a topic for further research; why e-learning as a learning method is not as popular as other methods. One reason could be that e-learning takes more concentration and can be considered to be harder than to listen to someone telling you what you need to know. From an employer perspective, e-learning can be a cheap option for teaching employees since it only takes one platform and one person with a lot of knowledge that will teach other persons. However, e-learning cannot be considered a complete learning method since it mostly will be explicit knowledge that will be taught. Communicating tacit knowledge takes more interaction and e-learning has to be more standardized or at least follow a red line in order to be either an oral or written presentation.

5.7 Diversity

If we look at diversity the way we look at a humid rain forest and compare that rain forest that contains plenty of different species to a forest in Sweden or Finland with very few species. The rain forest may live a wilder life with a better flora, but it is not necessarily easier for one particular individual species to survive and have a good life there. So, in terms of making a good result and survive it may be easier to belong to a cold, Nordic forest. The questions if a more diverse environment would make a workplace more efficient or not is therefore hard to give a straight answer to. Why this is important to take into consideration is because we have earlier presented theories on tacit knowledge that is easier and more likely to being transferred if it is between two persons or groups that have a strong social tie.

According to the answers of the respondents, diversity is hardly existing at their trading floors. They claim that they are open to diversity but when we see the results the employees
all come from the same country, share the same interests, has the same educational background and the gender distribution is not equal between men and women. The interviewees claim that the positive sides of working with a diverse workforce is that you get to see things from a different perspective and that you can learn from a person with another cultural background. One of the interviewees tells us that the negative aspects of working with a diverse workforce is that it might be hard to cooperate and understand what the other person mean. For example, in Sweden when people tell you that they have to do something right away, they actually mean that the task has to be started and completed at the very same time from receiving the task, while for example in Spain the perception of time is a bit different and the task could just as well be completed tomorrow or another day. Also, one interviewee said that it was too risky to take a chance and hire someone with a different educational background than the ones that matches the requirements, for example someone with a bachelor in behavioral sciences instead of someone with a bachelor of mathematics or economics.

However, the other interviewee could not see any negative aspects of having a diverse workforce. From an analytical perspective, we cannot know if this is something expressed just because that sounds good or because they live by that motto. Expressed earlier in the interview was that new employees have to be like-minded in order for them to cooperate well. Being told that by a manager, it says something about how that manager is selecting the candidates for a vacant position. However, like-minded can mean different things for one person.

After the interview, when correcting the written material, we asked the interviewee what was meant by a “like-minded” person in order to cooperate well. The answer we got was that the candidate should have a somewhat similar personality to the team and the manager, not only in order to cooperate well but also for the candidate to thrive and flourish in that organizational culture. If the team are full of people who likes to talk a lot during meetings, communicate well orally but not as well in written text, then the candidate should like to be in that environment. It can also be the opposite, if the whole team is very quiet and communicate with each other by e-mail rather than talking to each other, then they would probably feel disturbed by having someone that is talking too much and not communicate well otherwise. Everything to not make the new employee or the existing team awkward or disturbed by each other's’ way of communicating. The interviewee also explained that it
would make their well working learning process harder if the employees could not communicate and cooperate well together, and this would therefore affect the knowledge transfer in a negative way in both short and long terms. However, the interviewee still claims that it is only a positive thing with a diverse workforce, as long as they share the same mindset and can cooperate well together.

The dilemma of hiring diverse people but that are similar to the team members and the manager at the same time is hard to accomplish. The managers seem to be afraid of destroying the sociocultural environment where employees cooperate well together in favor of hiring people belonging to minorities.

Nowadays it is trendy and a common unique selling proposition to work with diversity within an organization (Bergen et al, 2002), and many companies get hard pressure from the governments which have led them to take affirmative actions instead of choosing the most qualified candidate (Glazer, 1973). The interviewees are mentioning that they are trying to hire the best qualified person for the job, yet they are saying that they are focusing on hiring women in order to even the odds for both genders. However, according to the observation made, the recruiting managers are getting so much pressure on hiring a woman instead of a man that they do not feel happy about the process. They have to ignore more competent candidates in favor for less competent candidates but with a gender belonging to a minority, and that is exactly what Glazer (1973) expressed as one of the risks with diversity.

The observation revealed that group members had experienced affirmative actions in terms of recruiting a woman. Because they got pressure of hiring a woman regardless of other more competent candidates, those women recruited on those terms were not staying in the company for a long time. Therefore, we can hereby identify a dilemma of diversity on trading floors, and trying to fill in a quota does not seem to work so well at Nordic trading floors. According to Guevare et al (2016) diversity is a complex dilemma that sometimes is harder in practice than in theory to implement and make it work. The HR department get their statistics right by forcing an even number of men and women, but the knowledge obtained and then lost on one employee that quit early in the employment is harder to measure in numbers.
6. CONCLUSIONS

The upcoming section will show how the purpose of this research was fulfilled and answers to the research questions presented in the beginning of the research will be provided. As a last part of this research, we concluded the most important findings into short answers to our questions. A short part about limitations and suggested future research topics is provided to explain what we could have done more or better of, and further questions that have arisen after the conclusions of this research.

6.1 Research question 1

How is knowledge transfer implemented on a Nordic trading floor?

When it comes to how knowledge transfer is implemented on a Nordic trading floor we have chosen to answer the question by different themes presented throughout the research.

6.1.1 Learning styles

Among employees of a bank there are no right or wrong way of learning, and if a Nordic bank tries to tailor a learning program that is same for every employee this would be a waste in terms of both money and time that in turn would not have a positive effect on the flow of knowledge transfer. As we know organizations, including banks, are trying to implement many different e-learning programs since they are available for every employee and can be done outside the office as well. However, we see this as an extremely waste of resources for the banks since no one of our sample population were in favor for e-learning. That means that employees are feeling that they are forced to do it rather than appreciating it and really learn that would lead to better flow of knowledge among employees. By contrast, the bank should offer mentoring that are more appreciated among the employees as well as learning by doing that in turn could be different tasks they would need to solve without any time limits. For young employees who have not attended a trainee program the banks could consider offering some kind of rotation, which would help them to learn how different divisions work. This
would in the long run have a positive effect on the knowledge transfer since more employees among the banks could share knowledge and if an employee quits would this not be as big loss in terms of knowledge since many others could cover it up.

6.1.2 Organizational memories impact on knowledge transfer

In this research, we have focused towards the organization's internal memory since the external memories are more easily accessible for anyone. The internal memory can provide useful competitive advantage for the organization and we have found out that both Danske Bank and Nordea uses a large and complex database that are available for their employees from where they can find information about companies that are not public that will provide them useful information. This is an easy way to share the basic knowledge between employees and the next step is to provide the co-workers with skills that are best transferable through mentoring and learning by doing for gaining full understanding and receive maximum amount of knowledge from a co-worker with more experience.

6.2 Research question 2

*Which role does homogeneity have for the flow of knowledge transfer?*

6.2.1 Homogeneous people are expanding networks and social ties

We have identified that the diversity is low on the Nordic trading floors. The background of the employees is similar among the employees in terms of nationality, educational background and men were represented as a clear majority in terms of gender. Even though the mindset towards diversity is positive among the employees at Nordic trading floors, this is not anything we can find among the people recruited for the positions.
Social ties are extremely important within the banking industry and especially within investment banking. As we have presented in the data throughout the research we can clearly see that almost everyone within investment banking spend time with their co-workers outside the workplace which in turn indicates than an unsocial employee would have problem to fit in the group. The social gatherings outside working time have a positive effect on the flow of knowledge transfer and here employees have the opportunity to get to know their colleagues better. Therefore, we conclude that the interest towards hobbies do not need to be the same among the employees, however, the employees need to be able to socialize both in the office and outside working hours. Despite the fact that we do not find the interest to be similar among the employees to fit in the group we can clearly see that most of the employees have similar interests from the beginning such as golf, drinks and dinners and sport overall that may have an impact on who the banks are willing to hire.

We can say that employees working at Nordic trading floors are homogenous, and in other words similar to each other when it comes to background, nationality and gender. The social ties among the employees are very important for the flow of knowledge transfer, as a lot of the knowledge transferred is being transferred during face-to-face interaction rather than from documents or through e-learning. The role that homogenous people have for knowledge transfer is that by expanding networks and generating strong social ties they are contributing to the transfer of tacit knowledge that is generating a greater competitive advantage.

### 6.3 Summary of conclusions and purpose fulfillment

“The purpose of this study is to understand how the knowledge transfer could be more efficient at Nordic trading floors and whether employees prefer to share knowledge with employees to whom they either have a weak or strong social tie to. We also want to see how homogenous people impact the flow of knowledge transfer.”

The knowledge transfer at Nordic trading floors could be more efficient by keeping strong social ties and implement interactive learning systems such as learning programs or mentoring. There is an open-mindness of bringing a more diverse workforce into the trading
floors, but it is not existing at the moment as all the employees are homogeneous in terms of gender, background and nationality.

The research questions can in short terms be answered as follows:

1. How is knowledge transfer implemented at Nordic trading floors?
   - Knowledge transfer at Nordic trading floors is implemented through different types of training and mentoring and by keeping up with strong social ties which is feeding the sociocultural arena.

2. Which role does homogeneity have for the flow of knowledge transfer?
   - Homogenous people are contributing to knowledge transfer by spreading tacit knowledge while networking and socializing with each other. Wearing suits and playing golf might therefore help employees at Nordic trading floors to learn more.

6.4 Limitations

The main limitation in this research is regarding time constraints due to a predefined deadline that the authors had to follow and schedule the setup of the research according to the deadline. The limitation of this research stopped us to go more in depth with the study where we could have been able to research more specific around knowledge transfer in a larger scale. In this research, we are focusing mainly on Swedish trading floors with input from Finland with banks originated from Sweden and Denmark. If we would have had more time, we could have investigated banks originating from Norway and Iceland as well. However, none in the sample population had a non-Nordic nationality.
6.5 Further research topics

For further research, we suggest that it could be in terms of “low interest of e-learning” and “why employees find e-learning the least attractive method to learn”. Large and multinational companies are all using some kind of e-learning programs that can be expensive and takes long time to complete for the employee. As e-learning can be an efficient way of transferring knowledge in a digital world, this can be a greater part of knowledge transfer than it is today.

Another suggestion for further research would be to study a larger sample population containing traders from every European country and see how the method of desired method of training differs from the Nordic countries. To study another specific country such as the United Kingdom where it is proven to be a large ethnic diversity among the employees of investment banks would for example be very contributing and interesting. The data gathered from this research will most likely vary from the data presented in a research based on employees of an investment bank in London and this could be compared in further researches.
7. REFERENCE LIST


Appendix

Interview 1
2017-04-05

1. **What academic background do you have? Is it similar to your colleagues?**
   - I have a master in economics and all my colleagues have an academic background, with a major in economics or mathematics what I’m aware about.

2. **How do you work with knowledge transfer at your bank?**
   - Introduction to work, online learning, and a continuous dialogue with the colleagues.

3. **How does the learning process look like when you get a new employee to your department?**
   - We give him a computer and briefly explain what his tasks are. We hand out a handbook and then every third month we have a meeting with their manager to analyze if they have reached their goals in terms of learning.

4. **How is trust established in your department? Do you think it is connected to knowledge transfer?**
   - As the banking business is a very competitive environment, I do not think that people truly trust each other if they are not working closely together. I think that you share more knowledge with other people if you trust them.

5. **How does your bank work with diversity?**
   - We try to employ the best candidate despite their gender, age, race and nationality. This year we are focusing in employing more women than men.

6. **How is it implemented in your department?**
   - We try to employ the most suitable person for the task. However, if we do not share the same interest at all, we find it difficult to work next to each other for a long time and have small talk about things that are not related to the job. You can teach a new employee finance, but you cannot teach a person to be nice.

7. **Do you have a diverse workforce or are everybody similar when it comes to gender, nationality, ethnicity, educational background, etc.?**
   - In our department we all have the same nationality, and we have some women working here but it is mainly a man-dominated branch.
8. What are the pros and cons of a diverse workforce in your opinion? Do you have any examples?
- The pros are that you can learn a lot from a person that have other cultural background, educational background and interests than you have. The cons of a diverse workforce in my opinion is that it can be hard to understand what the other person mean. It might be hard to work with people with different background. It is too expensive to take a chance and hire a completely different person, for example someone with behavioral science instead of economics or mathematics.

9. Do you think that your introduction was enough or would you have needed more time to learn?
- I would have needed more time to learn. However, they did not push me to learn everything quickly but I would have wanted to have more mentoring during my introduction.

10. Do you think that knowledge in your bank is a competitive advantage and how?
- Yes, I believe it is a competitive advantage since we do not loose important key employees to our main competitors.

11. Tacit knowledge cannot be communicated through theories or manuals and has to be taught through experience. How do you do in your bank to not waste that experience from an employee that worked at the bank for many years and then quit? How do you do to keep knowledge at the bank?
- That is our main problem but we try to integrate the different team members with each others, so if one employee leaves, we hope that the knowledge will remain within the bank. If an employee quit and go to our competitor there is a large risk that he will bring our customers with him.

12. How is your bank's organizational memory in your opinion?
- Every file we create we save on our internal database that everyone has access to. We study old cases when we start a new project. Overall I think it is working, but sometimes there is an overflow of data and information and you do not know where to find the right information.

13. How would you do to obtain effective knowledge transfer?
- By having dinners with my team and share the our experiences from the past week. We also have monthly meetings with the whole division and every morning we have a morning meeting with the trading floor where we pinpoint the most important news
and transactions from the previous day. Sometimes we have the possibility to do different courses online, however, I do not find them so important and fun to do.

14. **Do you share knowledge with your colleagues today?**
- Yes, I share knowledge with my colleagues in different meetings and the dinners that we have together. Sometimes I also ask them to read through what I have done so they can come learn from what I have done and give input and feedback.

15. **How would you describe the organizational culture at your bank?**
- In our bank we have clear values, beliefs and principles and everybody says hello to each other. The whole trading floor has after work every Friday where the traders get to socialize with each other for an hour or two. I believe that these factor helps us to reach our common goals. I do also believe that different divisions differs cultural wise a bit from each other.

**Interview 2**

2017-04-06

1. **What academic background do you have? Is it similar to your colleagues?**
- I have a masters in economics. My colleagues have a bachelor or working experience.

2. **How do you work with knowledge transfer at your bank?**
- We have comprehensive educations. New employees get to join a eight week program and we follow up their learning process during a year. They also have a mentor that will help and support the new employees.

3. **How does the learning process look like when you get a new employee to your department?**
- Same as above. And also, if we are interested we can specialize in some area and attend different programs and courses to learn more.

4. **How is trust established in your department? Do you think it is connected to knowledge transfer?**
- No, I do not think that trust is connected with knowledge transfer. In my department trust is established through a powerful leader.

5. **How does your bank work with diversity?**
- In the recruitment process we are choosing the best candidates but we are also trying to employ 50/50 men and women. It is also independently of gender, sexual orientation and race.

6. How is it implemented in your department?
- We are employing the most suitable person. But it has to be someone that are likeminded in order to cooperate well.

7. Do you have a diverse workforce or are everybody similar when it comes to gender, nationality, ethnicity, educational background, etc.?
- The ones that attended the Graduate Program are alike, but the others are not. Two thirds are men.

8. What are the pros and cons of a diverse workforce in your opinion? Do you have any examples?
- Diversity is good because you get to see things from different perspectives and angels. It is good to get input from everybody. I cannot see anything negative with it.

9. Do you think that your introduction was enough or would you have needed more time to learn?
- Yes, we have a very good introduction. It took one year.

10. Do you think that knowledge in your bank is a competitive advantage and how?
- Yes, because the knowledge are of superior quality if we compare with our competitors.

11. Tacit knowledge cannot be communicated through theories or manuals and has to be taught through experience. How do you do in your bank to not waste that experience from an employee that worked at the bank for many years and then quit?
- We are a massive bank and it is always someone with a lot of knowledge and experience. Everybody with more experience can be involved in guiding and helping other colleagues with less experience. The knowledge lives on in such way and there is always someone who knows and has the know-how and you do not have to worry about them leaving the company and the knowledge disappears.

12. How is your bank's organizational memory in your opinion?
- We have a lot of different systems and the older or more experienced ones teach the younger or the less experienced ones.

13. How would you do to obtain effective knowledge transfer?
- We keep on working with our effective introduction system and with mentoring where the mentor transfers the knowledge to the new individual.

14. **Do you share knowledge with your colleagues today?**
- Yes, as of today I had a three-hour seminar with my employees to share my knowledge that I obtained through a course and experience.

15. **How would you describe the organizational culture at your bank?**
- It is build of passion, trust and experience. And more how the personality of the bank is that people wants to generate and earn money.