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MÄTNING AV INTELLEKTUELLT KAPITAL I DEN SVENSKA BANKSEKTORN

En explorativ studie

INTELLECTUAL CAPITAL MEASUREMENT PRACTICES IN THE SWEDISH BANKING SECTOR

An explorative study

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Härmed intygas att allt material i denna rapport, vilket inte är mitt eget, har blivit tydligt identifierat och att inget material är inkluderat som tidigare använts för erhållande av annan examen.

Signerat: ____

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Summary

Åtminstone sedan slutet av 1900-talet har organisationer funnit sig i en omgivning av snabb utveckling på grund av teknologiska framsteg och digitalisering. Som ett resultat av detta är immateriella tillgångar viktiga i sin egenskap och potential att användas av organisationer för att konkurrera på marknaden.

Intellektuellt Kapital har gått igenom en omfattande förvandling både vad gäller dess generella definition och sin utbredning i externa rapporter sedan begreppet först myntades. Även om begreppet konsekvent har fokuserat på immateriella tillgångar har intellektuellt kapital, över tid, blivit ett område där immateriella tillgångar behandlas i enhet med de grundläggande antaganden hos Resursbaserad Teori i fråga om hur tillgångar kan användas för att uppnå varaktiga konkurrensfördelar. Förespråkare av intellektuellt kapital ansluter sig till dess ramverk och klassificering av olika immateriella tillgångar och påstår att det erbjuder en ökad förståelse gällande hur värde härleds från dessa tillgångar. Huruvida mätningen och följaktiga rapportering av intellektuellt kapital är värdeskapande är däremot ett omtvistat område.

Intellektuellt kapital har även hävdats lida av en brist av empiriska studier fokuserade på specifika sektorer. Även fast organisationer från banksektorn har varit inkluderade i empiriska studier inom området intellektuellt kapital så finns det få sådana studier som inkluderar svenska banker, för att inte tala om studier som fokuserar på den svenska banksektorn. Frågan om huruvida organisationer från den svenska banksektorn aktivt mäter immateriella tillgångar som inkluderas i ramverket av intellektuellt kapital har hittills inte studerats grundligt. Inte heller har en studie gjorts som fokuserar på att utforska de underliggande motivationerna varför organisationer inom denna sektor skulle ägna sig åt sådant arbete.

Genom en kvalitativ studie baserad på intervjuer med respondenter från tre banker från den svenska banksektorn demonstrerar denna studie att trots att intellektuellt kapital är praktiskt taget okänt inom sektorn så återfinns ett flertal exempel av mätning av immateriella tillgångar som inkluderas i ramverket hos intellektuellt kapital bland dessa organisationer. Genom implementering av resursbaserad teori och legitimitetsteorin så framgår att den huvudsakliga orsaken till att organisationer implementerar sådan mätning är att få ökad förståelse för resursen och bättre kan utnyttja den. Resultaten visar även på att redovisning av intellektuellt kapital inte ses som legitimerande, trots att likheter mellan organisationer i den svenska banksektorn tycks leda till att vissa immateriella tillgångar redovisas för att organisationen ska kunna differentiera sig från sina konkurrenter.

Nyckelord: intellektuellt kapital, IC, banksektor, svenska banksektorn, resursbaserad teori, legitimitetsteori, differentiering, immateriell tillgång, imitering

Abstract

Since at least the late 20^{th} century, organisations are to an increasing extent finding themselves in a world being rapidly changed due to technological advancements and digitalisation. As a result, intangible assets are significant in their ability and potential to be used by organisations in order to be able to compete on the market.

Ever since its conception, Intellectual Capital has undergone substantial transformation both in terms of its general definition and its prevalence in external reports. Although consistently focusing on intangibles, over time, intellectual capital has become an area focused on intangibles in accordance with the basic principles of the Resource-Based View regarding how assets can be used to acquire sustainable superior performance. Proponents of intellectual capital adhere to its framework and classification of different intangibles, claiming that it offers increased understanding as to how value is derived from intangible assets. The understanding of the measurement and subsequent reporting of intellectual capital being value creating is, however, a disputed claim.

The field of intellectual capital has also been stated to be suffering from a lack of empirical studies focused on specific sectors. Although organisations from among the banking sector have been included in empirical studies within the realm of intellectual capital, there are few such studies which include Swedish banks, let alone studies focused on the Swedish bank sector. The question of whether organisations among the Swedish banking sector are dedicating themselves towards measuring intangible assets included in the intellectual capital framework has so far not been closely studied. Neither has a study focused on exploring the underlying motivations as to why organisations within this sector would choose to dedicate themselves to such work been made.

By means of a qualitative research method focused on interviews with respondents from three banks belonging to the Swedish banking sector, this study demonstrates that although intellectual capital is virtually unknown within the sector, examples of the organisations' measuring practises of intangibles included in the intellectual capital framework are numerous. By implementing resourced-based view and legitimacy theory, the primary motivation behind organisations implementing such measurements is suggested to primarily be to better understand and utilise the resource. The findings of this study also suggest that disclosure of intellectual capital is not viewed as legitimising, despite similarities between organisations in the sector leading to expressed wishes of certain intangibles being disclosed for differentiation purposes.

Key words: intellectual capital, IC, banking sector, Swedish, resource-based view, legitimacy theory, differentiation, intangible assets, intangibles, imitability

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1. Introduction

1.1. Background

In the ever increasing amount of studies devoted to explaining how resources lends its owner competitive advantages, the Resourced Based View (RBV) has since its conception given rise to a number of other, related concepts. Among those created in this manner, perhaps due to the academic focus on the proposed value of knowledge-based resources, is intellectual capital (IC), primarily emerging in the 1990's (Reed et al., 2006; Martín-de-Castro et al., 2011; Beattie & Smith, 2013). Knowledge-based resources have since the 1990's been an increasingly researched area, gaining substantial support for its importance in the modern economy, to the point of being referred to as the "knowledge economy" (Grant, 1996; Teece, 1998; Sveiby, 2001; Kaplan & Norton, 2004; Guthrie et al., 2012).

Since the emergence of the concept, IC has undergone a change in terms of definition; from initially being defined as the difference between the market value and book value of an organisation, the definition has expanded in accordance with RBV to focus on the knowledge assets within the organisation which creates value (Bontis, 2001; Reed et al., 2006; Curado et al., 2011; Beattie & Smith, 2013). Here, too, the definition of IC has changed as a result of presented models identifying areas of relevance and incorporating them in the IC model. The generally agreed upon model defines IC as consisting of three main components: human capital, structural capital and relational capital (Curado et al., 2011; Martín-de-Castro et al., 2011). Human capital consists of the business capital embedded in employees and not owned by the organisation. This includes competence, experience, knowledge and skills of employees (Martínez-Torres, 2006). Structural capital is sometimes further divided into process capital and innovation capital, and includes workflow, IT-systems, corporate culture, patents and intellectual property. Lastly, relational capital, consists of the value of relationships with stakeholders, suppliers and customers.

In the study by Martín-de-Castro et al. (2011), various models of IC and its components are presented. The IC concept is described to partially function as an umbrella term for its components. The components are described to affect each other (Martínez-Torres, 2006; Mention & Bontis, 2013), and thus an increase in the functionality of one of the separate components can result in a greater overall increase of the IC within the organisation.

Part of this interest in IC stems from the nature of the resources which the concept includes – elusive and difficult to define – and their promise in terms of potential gains to the companies that properly measure and manage them (Bontis, 2001; Brüggen et al., 2009; Isaac et al., 2010). From this idea stems the argument that, if the claims of inherent value creating properties of IC are true, organisations with a vested interest in their competitiveness ought to utilize these assets to the best of their capabilities. Yet in spite of this, calls for the measurement and reporting of IC in academia seem not to be mirrored by the actions of organisations (Bontis, 2003; Vandemaele et al., 2005; Beattie & Smith, 2012; Dumay, 2016).

Perhaps as a result of the aforementioned possibilities following utilisation of IC components to create sustainable superior performance, the banking sector has been subject to a number of studies within the realm of IC (Barathi Kamath, 2007; Young et al., 2009; Mention & Bontis, 2013; Al-Musali & Ku Ismail, 2016). There is, however, an absence of a focused study on the Swedish banking sector, although companies within this sector have been included in studies focused on IC disclosure among Scandinavian companies (Sveiby 1997; Bontis, 2003).

The Swedish banking sector has a number of actors on the market; a total of 115 banks, including foreign branches, were registered and permitted to operate within the country in 2015 (Åkerblom, 2016). Of these, 38 are Swedish limited company banks – so called *bankaktiebolag* in Sweden – which have been growing in number, partially due to banks converting to this company form. In terms of market share, assets, number of customers etc., the four largest banking groups Nordea, Swedbank, Svenska Handelsbanken (SHB) and Skandinaviska Enskilda Banken (SEB) have a notably strong position (Åkerblom, 2016). The high combined market share of the four largest banking groups – particularly in terms of household credit lending which has been between 80 and 70 percent for over a decade – despite there being a relatively high number of actors has been suggested by Åkerblom (2016) to be due to a lack of customer mobility in this sector.

Discussions regarding the recognition of IC in regards to Swedish law took place during the end of the 1990's, with the ruling that IC – understood as the difference between market value and book value – is not to be recognised as an intangible asset, and that the difference is to be labelled as goodwill (BFN, 2001). That being said, components of IC are overall identified as being reported, albeit most often not in the form of a dedicated IC report, especially among companies which rely more on IC (Brüggen et al., 2009). For there to be advancements in the field of IC, a better understanding of the practices and motivations of industries, especially knowledge-heavy industries, is needed.

1.2. Problem discussion and Problem

Although certain scepticism might be warranted before fully accepting statements similar to that of Grant (1996) of the supreme importance of knowledge in the modern economy, the field of IC is perhaps justified in its attempt to describe how knowledge resources may lead to enhanced performance with reference to other fields, not least resource-based theory. Ultimately, said knowledge assets seems, at the very least, not to be lacking in terms of its relative importance to other resources as defined by RBV, making the case for choosing to study IC more justified.

However, evidence seem to suggest that the reporting of IC being made is seldom in the form of a dedicated IC report, if at all. Although this seems, partially, to be due to conflicts with other external reports – most notably sustainability reports, which often incorporate content from IC components (Farneti & Guthrie, 2009; Oliviera et al., 2010; Dumay, 2016) – others focus their critique on the often proposed, but seldom realised, wealth-creation of IC reporting as the reason for its failure to be used more frequently. Dumay (2016) suggests monetary wealth is a poorly attributed benefit of incorporating disclosure of IC.

There is also the more fundamental issue of the difficulty in measuring IC, a fact which has been repeatedly voiced with concern (Martín-de-Castro et al., 2011). Although there have been proposed methods for measuring IC – including the Scandia Navigator, the Intangible Asset Monitor, and the VAIC-method – their validity remains challenged (Ståhle et al., 2011). Indeed, suggestions regarding the inherent inability to produce one absolute framework for measuring IC in all kinds of firms has arguably yet to be met with a conclusive model to prove the opposite (Dumay, 2009). Also, Dumay (2009) has voiced concerns regarding attempts at formulating such a framework, stating that such a framework may do little to help understand how, or to what extent, intangibles create value.

In addition to this, the field of IC is suffering from a lack of empirical studies, with the risk of eventual theoretical contributions not being grounded in reality. Although IC and performance within the biotechnology and manufacturing industries have been broadly covered in research, the service industry in general, and banking industry in particular, has not received the same attention (Mention & Bontis, 2013). This is striking, especially due to the fact that the service industry makes up an increasingly large proportion of the overall productive activities within the OECD area. The issue of a fundamental lack regarding the understanding of how IC relates to performance within this industry needs to be rectified.

1.3. Purpose and Research question

The purpose of this study is to explore how intellectual capital is measured in practice within companies. Banks have been described to be proprietors of vast amounts of IC, due to their geographical reach, its high number of employees and their respective knowledge, their fundamental role in modern society and their intricate relationships with various agents. With reference to the above stated background the research question is: How do Swedish banks measure intellectual capital?

The following chapter will outline the theoretical background related to the purpose of this study. Subsequently, the method of the study is outlined in terms of its scope, data collection, ethical considerations and more. This is followed by a chapter detailing the empirical data. Next, a chapter discussing the results of the empirical data is lastly followed by a conclusion.

2. Theoretical Background

This chapter details topics essential to the understanding of the study and its aims. A short discussion regarding intangible assets in Sweden is followed by a discussion of the resource-based view. Crucially, intellectual capital and its components are detailed, and its historical context and various definitions are presented. Sequentially, a discussion regarding the difficulties in measuring and reporting intellectual capital, and its relationship with other external reports, ends this chapter.

2.1. Intangible Assets

In Sweden, intangible assets are regulated by the Accounting Act, called *Årsredovisningslag* (SFS 1995:1554) – commonly abbreviated *ÅRL*. According to 4 kap. 2§ ÅRL (1995:1554), concessions, patents, licences, brands, tenancies and similar assets of considerable value to the business during the coming years are allowed to be recognised as intangible assets. The same applies for goodwill – the compensation exceeding the book value of the assets and debts acquired as the result of an acquisition.

Intangible assets, at the present moment, is a disputed area in international law, and has been for some time (Marton et al., 2013). Since 2005, the International Financial Reporting Standards (IFRS), currently developed by the International Accounting Standards Board (IASB), have become mandatory for listed companies in the EU, including Sweden (Marton et al., 2013; FAR 2016). The standards are regulatory in Sweden, and so the standards regulating intangible assets, most directly IAS 38, are also regulatory. IAS 38 defines intangible assets as “an identifiable non-monetary asset without physical substance”. An “asset” is a resource both “controlled by an entity as a result of past events” and “from which future economic benefits are expected to flow to the entity”. It is with reference to this definition that IC, which is primarily focused on intangibles, must be considered in terms of Swedish law.

The question of whether or not to include intellectual capital as an intangible asset on the balance sheet was taken up for discussion during the 1990’s (BFN, 2001). In the statement URA 9[1] made by *Redovisningsrådet*, IC was deemed not to be recognised as an intangible asset, and the difference between the market value and the book value of an organisation was to continue being labelled solely as “goodwill”. Important to note is that these statements were effectively nullified with Sweden’s adaption of IAS/IFRS (BFN, 2016). However, no additional inclusion of IC has been accepted in terms of accounting standards in Sweden since its adaption of IAS/IFRS. Any report of IC is thus understood as voluntary.

[1] The URA were official statements made by *Redovisningsrådet*. These statements functioned as guidelines for companies in terms of accounting standards up until the adoption of IAS/IFRS in Sweden on the 1st of January 2005. URA 9 has remained unchanged since the statement was made (BFN, 2016).

2.2. Resource-based View

Since the 1990's, the resource-based view (RBV) has proven to be one of the most dominant perspectives within the field of management research and in determining organisational performance (Barney & Arikan 2001, p. 124; Crook et al., 2008). A shift in terminology – from resource-based theory (RBT) to RBV – has not resulted in any significant alteration of the definition of RBV nor diminished the relevancy of Barney's (1991) influential study on RBV's primary structure (Andersén et al., 2016; Crook et al., 2008).

Regarding the core of RBV, originally structured by Barney (1991), strategic resources are described as being generally immobile and heterogeneously distributed between firms. This remains the two principle assumptions of RBV (Barney & Arikan 2001, p. 141). Among the main implications of these assumptions is the possibility of superior performance as a result of sustainable, value-creating strategies concerning strategic resources. The term "strategic resources" is central to RBV and the definition includes a number of criteria, popularly referred to as the *VRIN-* or *VRIO framework*. A strategic resource is, according to this definition, valuable, in the sense that it increases value to customers or reduces costs; rare, so as to not be easily available to competitors which would otherwise reduce the value of the resource through competition; difficult to imitate and difficult to substitute, which sustains performance advantage (Barney, 1991; Crook et al., 2008).

Much of the RBV literature has been centred on the linkage between strategic resources and performance. This is explained by Crook et al. (2008) to be due to the difficulty in measuring competitive advantage, which in turn is described as the source performance advantages. It has been suggested that the economic value gained from the strategic resources must be recognised by the organisation in order for strategic resources to explain performance. Hence a strategic resource is not viewed as intrinsically valuable to a firm.

In addition to the aforementioned criteria, a strategic resource shares the basic characteristics of a "resource", understood within the context of RBV as "tangible and intangible assets firms use to conceive of and implement their strategies" (Barney & Arikan 2001, p. 138). It is worth noting that both tangible and intangible resources are acknowledged as resources which can be utilised as strategic resources, according to this definition. Barney and Arikan (2001, p. 139) offers a definition of both tangible and intangible assets, as follows:

> '[…] the tangibility of firm resources is a matter of degree. Resources that are typically more tangible include, but are not limited to, a firm's financial capital (e.g., equity capital, debt capital, retained earnings, leverage potential) and physical capital (e.g., the machines and buildings it owns). Resources that are typically less tangible include, but are not limited to, a firm's human capital (e.g., the training, experience, judgment, intelligence, relationships, and insights of individual managers and workers in a firm) and organizational capital (e.g.,

> attributes of collections of individuals associated with a firm, including a firm's culture, its formal reporting structure, its reputation in the market place, and so forth).'

Barney (1991) notably does not suggest that different types of resources have different effects for firms. This is in contrast with a multitude of theories distinguishing between different types of resources and their effects on firm performance which were presented during the 1990's (Barney & Arikan 2001). Among these is the contribution by Stalk, Evans and Shulman (1992), arguing for a fundamental difference between competences and capabilities, and Grant (1996), identifying knowledge as being the most important resource for sustained superior performance. From the perspective of RBV, expressed by Barney & Arikan (2001, p. 139-140), these "new" theories describing how firm resources be used to create sustained superior performance are linked in their fundamental theoretical structure which is identical to that of RBV, and so eventual claims regarding their independence from RBV is met with scepticism:

> 'While each of these "theories" have slightly different ways of characterizing firm attributes, they share the same underlying theoretical structure. All focus on similar kinds of firm attributes as critical independent variables, specify about the same conditions under which these firm attributes will generate persistent superior performance, and lead to largely interchangeable empirically testable assertions. […] While work should continue expanding our understanding of the different kinds of firm attributes that can have an impact on firm performance, labelling each of these insights as a "new theory" of firm performance is very counterproductive.'

Regardless of concerns of the counter productivity of labelling theories related to RBV as "new", the prevalence of a number of these theories have been sufficient to produce a large enough number of publications as to cement their relevancy within academia. One of the more widely recognised of these theories is, undoubtedly, the knowledge-based view (Acedo et al., 2006). The concerns of the counter productivity that the knowledge-based view may pose to the wider RBV literature are, arguably, diminished by studies such as Acedo et al. (2006), which not only charters theories relevant to RBV being explored and researched, but at the same time asserts them, including the knowledge-based view, as strands within the RBV literature itself.

The potential of intangible resources to create value is more concrete within RBV than merely asserting that this is possible. Campbell et al. (2012) not only describes human resources – an area of outmost importance within IC literature – as being fundamental in creating sustained competitive advantages, but also, with reference to Barney's (1991) VRIN framework, that this is due to the immobility of the resource itself. The shared acknowledgement of the potential value of intangibles, most notably human capital, makes the case for the inseparability of the knowledge-based view and RBV all the more convincing. It is with reference to the above stated understanding of the relationship between RBV and IC, that the empirical data of this study will be analysed.

2.3. Intellectual Capital

During the 1990's, following the emergence of the knowledge-based view presented by Grant (1996), the focus on knowledge and its importance relative to other strategic resources is not only widely discussed, but reaches high levels of acceptance among a number of authors (Curado et al., 2011). According to the work presented describing the knowledge-based view, knowledge, understood as information-based production, is described to be rivalling other forms of production, most notably manufacturing-based production, in accordance with economic changes on a large scale.

In accordance with the assumptions held by the knowledge-based view, including their respective basis being founded on RBV, IC emerges, proposing the value of intangible assets in terms of their ability to explain the gap between market value and book value (Curado et al., 2011; Martín-de-Castro et al., 2011). There are undoubtedly substantial similarities between IC and the knowledge-based view, to the point of the terms sometimes being used synonymously. Although acknowledging that both IC and the knowledge-based view share their fundamental core in the assumptions formulated by RBV, and that they both attempt to explain the knowledge based intangibles that make up a substantial part of a firm's value, Reed et al. (2006) asserts that they differ in their focus. Whereas the knowledge-based view focuses on explaining how knowledge-management tools help generate knowledge, IC is focused on knowledge capital embedded within different parts of an organisation and its effect on financial performance.

The importance of RBV for the evolution of IC is made clear when following the change in the definition of IC. From earlier definitions focused on intangible assets and difference between market value and book value (Edvinsson & Malone, 1997; Sveiby, 1997), to a definition fully incorporating the importance of intangible resources and capabilities which can be used to gain sustainable competitive advantages (Reed et al, 2006).

When presenting the vast numbers of contributions to the definition of IC, Martín-de-Castro et al. (2011) draw general conclusions regarding the nature of an organisation's knowledge base by naming three key characteristics:

1. Its intangibility;
2. Its potential to create value;
3. The growth effect of collective practice and synergies.

In addition to this, basic characteristics of IC are described by Dean and Kretschmer (2007) to include: weightlessness, tradability, social and contextual embeddedness, inexhaustibility and difficulty in terms of measuring its transfer costs. Also important to note is how the general understanding of IC involves the claim that strategic resources are decidedly not equal in terms of its value to a firm (Martín-de-Castro et al., 2011). This is in stark contrast with earlier definitions of RBV, most notably Barney's (1991). It also means that the field of IC is clearly subject to the previously mentioned claim by Barney and Arikan (2001) regarding counterproductive "new" theories sharing its fundamental theoretical structure with that of RBV. Regardless of IC's alleged similarities with RBV in terms of its structure, different definitions of IC are clearly united in their focus on intangible resources and capabilities.

The amount of IC typologies is substantial, and thus the importance of studies mapping them and attempting to concretise the main IC components, such as Martín-de-Castro et al. (2011), are of vital importance. Among these components can be mentioned social implicit and explicit knowledge, customer capital, business relational capital, internal social capital and organizational capital. Table 1 demonstrates both the differences in the definition of IC and what constitutes its main components over time. Whilst this is merely a selection of definitions among many others (Martín-de-Castro et al., 2011), the overall similarities make the case for a relative consistent IC core, albeit one with increasing vocabulary from RBV.

TABLE 1

Modified table by Martín-de-Castro et al. (2011) regarding intellectual capital definition and components

Authors	Definition of intellectual capital	Individual component	Internal organisational component	External organisational component
Sveiby (1997)	The gap between market value and book value of the firm.	Competences	Internal structure	External structure
Bontis (1998)	The pursuit of effective use of knowledge, understood as the implications derived from the trends or underlying issues from data.	Human capital	Structural capital	Customer capital
Johnson (1999)	The collection of elements of intangible assets that consist of or utilize human intellect and innovation to create wealth.	Human capital	Structural capital	Relational capital
Subramaniam & Youndt (2005)	The sum of all knowledge firms utilize for competitive advantage.	Human capital	Organizational capital	Social capital
Kianto et al. (2014)	The sum of all the intangible and knowledge-related resources that an organization is able to use in its productive processes in the attempt to create value.	Human capital	Structural capital	Relational capital

Although IC has been regularly redefined, it is, arguably, agreed to consist of three main components: an individual component – almost unanimously dubbed "human capital" – an internal organisational component – most often referred to as either "structural capital" or "organisational capital" – and an external organisational component – most often referred to as "relational capital", "customer capital" or "social capital" (Martín-de-Castro et al., 2011). In the contemporary literature, the components human capital, structural capital and relational capital are the most widely accepted structure of IC (Curado et al., 2011; Hormiga et al., 2011). Figure 1 demonstrates a visual representation by Johnson (1999) of the overall structure of IC and how it relates to market value.

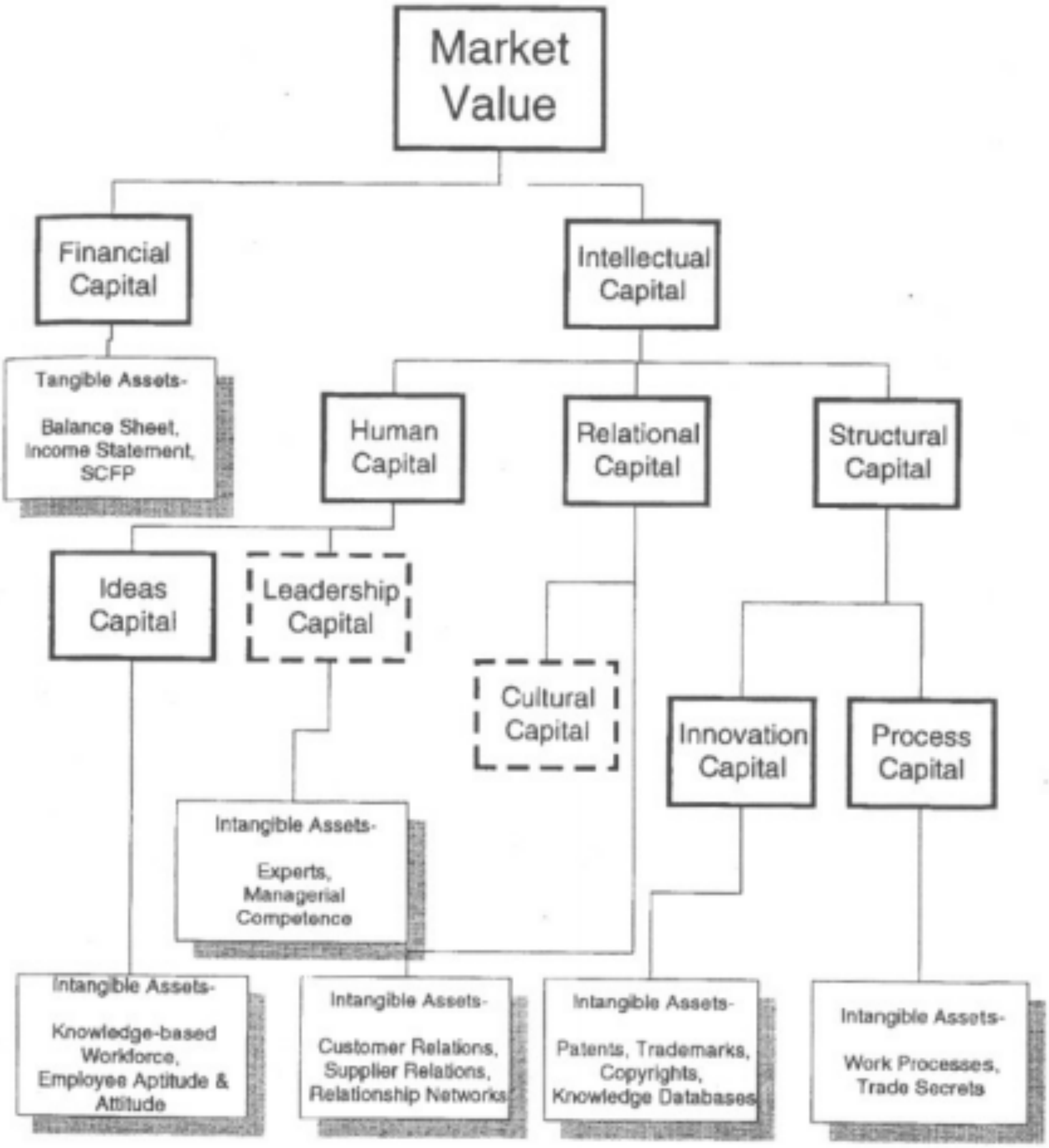

Figure 1. IC structure and components (Johnson, 1999)

Human capital is described to consists of the business capital embedded in employees and are, importantly, not owned by the organisation (Hsu & Fang, 2009). Structural capital consists of process capital and innovation capital and is generally made up of the organisation's infrastructure. Relational capital is the value of an organisation's external relationships. Before discussing the difficulties in measuring IC, a more detailed description and analysis of its components will be presented. Following this, the relationship between human capital and intangible assets will also be discussed.

2.3.1. Human Capital

Fundamental to the concept of IC, human capital is widely considered to be the most important IC component (Hormiga et al., 2011). Being directly credited as the source of an organisation's decision capabilities and resource allocation, human capital is thus also the primary source of innovation (Bontis, 1998), which in turn is due to the fact that human capital encompasses the experience and competences of its employees. Since the emergence of IC, human capital has been generally considered the core component of IC, as shown in Table 1, to the exclusion of a similarly wide array of synonyms as is the case for both structural and relational capital. It is understood as directly influencing the value derived from the other components of IC (Martínez-Torres, 2006), making its relative importance even greater than that of other components. The definition of human capital, as shown in Table 2, is also generally stable with mainly the focus on its ability to create value being the overall change present since the emergence of IC.

When analysing the internal structure of human capital – based on a literature review of a number of articles, studies and books by numerous authors – Martín-de-Castro et al. (2011) describes it to consist of three dimensions: knowledge; abilities; and behaviours. Knowledge is here described to include formal education, specific training, experience and personal development. Abilities is understood as individual learning, collaboration, communication and leadership. Lastly, behaviours are described to consist of commitment, self-motivation, job satisfaction, friendship, flexibility and creativity. Most of the indicators mentioned by Martín-de-Castro et al. (2011) have also been used in empirical studies based on content analyses such as Mention (2011).

TABLE 2

Modified table by Martín-de-Castro et al. (2011) regarding the definition of human capital

Authors	Definition
Sveiby (1997)	The capacity to act in a wide variety of situations to create both tangible and intangible assets.
Bontis (1998)	A source of innovation and strategic renewal. The sheer intelligence of the organizational member.
Johnson (1999)	The force behind the human intellect and innovation of the firm.
Subramaniam & Youndt (2005)	The overall skill, expertise, and knowledge levels of an organization's employees.
Hsu & Fang (2009)	Comprises all business capital embedded in employees and not owned by the organization. This capital may be taken away by employees, and include employees and manager's competence, experience, knowledge, skills, attitude, commitment, and wisdom.
Oliviera et al. (2010)	Skills, experience, competence and innovation ability of personnel.
Hormiga et al. (2011)	The potential source of innovation and generation of ideas for the firm.
Martín-de-Castro et al. (2011)	Tacit or explicit knowledge which employees possess, as well as their ability to generate it, which is useful for the firm, and includes values and attitudes, aptitudes and know-how.

2.3.2. Structural Capital

If human capital is to be understood as the knowledge embedded in an organisation's staff, and thus leaves the building when employees go home, structural capital is generally described as that which is left behind after the office closes (Hormiga et al., 2011). Another way of explaining the contributions of structural capital is in its way of providing a structure by which knowledge is not only transferred, but also reinforcing it between business activities, likening its role as the skeleton of an organisation. This description is further motivated with reference to various definitions of structural capital, some of which are included in Table 3, which list supportive processes and systems as belonging to this component.

Martín-de-Castro et al. (2011) divides structural capital into two main segments: technological capital and organizational capital. Technological capital is here described to be comprised of mainly the development and knowledge of efficient production processes and includes efforts in research and development, technological infrastructure, and intellectual and industrial property. Organizational capital is understood as intangible assets which give structure to activities and processes in the organisation, and includes corporate culture, organizational structure, and use of IT systems to refine knowledge within the organisation.

TABLE 3

Modified table by Martín-de-Castro et al. (2011) regarding the definition of structural capital

Authors	Definition
Sveiby (1997)	Patents, concepts, models and computer and administrative systems.
Bontis (1998)	Mechanisms and structures of the organization that can help support employees in their quest for optimum intellectual performance and therefore overall business performance.
Johnson (1999)	The structural ability of the firm to utilize human intellect and innovation to create wealth.
Subramaniam & Youndt (2005)	[Organizational capital] is the institutionalized knowledge and codified experience residing within and utilized through databases, patents, manuals, structures, systems, and processes.
Hsu & Fang (2009)	Includes process capital and innovation capital. Process capital is defined as workflow, operation processes, specific methods, business development plans, information technology systems, and cooperative culture, etc. Innovation capital is defined as intellectual property within an organization, including patents, copyrights, trademarks, and knowhow, etc.
Hormiga et al. (2011)	The knowledge the firm has been able to internalise and that remains in the organisation, be in its structure, its processes or in its culture, even when employees leave. Includes all the non-human tangibles of the organisation, from the culture or internal processes to the information systems and data bases.

2.3.3. Relational Capital

Described as both the most poorly understood and most complex in terms of measurement (Bontis, 1998), relational capital broadly encompasses the value of an organisation's relationships. The specific parties encompassed by this component, as shown in Table 4, have over the years broadened, from previously merely including customers and suppliers, to now including all stakeholders. This ought also to suggest a shift in the understanding of relational capital, from previously only considering relationships with external stakeholders to also encompassing internal relationships (Hormiga et al., 2011; Hsu & Fang, 2009).

However, part of the general acknowledgement of relational capital is the fundamental idea that firms are affected by, and affect, their environment and are thus part of an interconnected system (Hormiga et al., 2011). Those relationships which contribute value to the firm are thus what constitute the relational capital of that firm. The uncertainty regarding the benefits generated by investments into intangibles captured by the IC framework are arguably even greater within the relation capital component than those included in the human capital or structural capital components (Martín-de-Castro et al., 2011), perhaps mainly due to the relative lack of control of said assets – although it could be argued that this is also true regarding human capital (Hsu & Fang, 2009).

TABLE 4

Modified table by Martín-de-Castro et al. (2011) regarding the definition of relational capital

Authors	Definition
Sveiby (1997)	Customer and supplier relationships and the organization's image.
Johnson (1999)	The ability of the firm to interact positively with business community members to stimulate the potential for wealth creation by enhancing Human and Structural Capital.
Subramaniam & Youndt (2005)	[Social capital] is defined as the knowledge embedded within, available through, and utilized by interactions among individuals and their networks of interrelationships.
Martínez-Torres (2006)	The relationships that an organisation has with its clients/customers and environment.
Hormiga et al. (2011)	Includes the value generated by relationships not only with customers, suppliers or shareholders, but with all stakeholders, both internal and external. It is the knowledge that is found in the relationship between the organisation and its reference groups.
Martín-de-Castro et al. (2011)	The value of the organization of the relationships which it maintains with the main agents connected with its basic business processes – customers, suppliers, allies, etc., as well as the value of the organization of the relationships which it maintains with other social agents and its surroundings.

2.3.4. Measuring and Reporting Intellectual Capital

If the desire and attempt at creating the foundation for a dedicated IC report is to be deemed realistic, a generally agreed upon definition of IC is most likely necessary for such a project. This, however, has proven to be a difficult task as little consensus regarding the proper way of measuring IC exists (Dumay, 2009). Part of the research in this field has set on propagating that IC's supposed effect on management action can only be understood through the development of measurement of

IC in organisations, as well as understanding, and explaining, how IC and management action relate to each other.

Among all possible reasons for measuring and reporting, Sveiby (2010) points at the improvement of internal performance, management control, as the most common. Along with pointing out the possibility, and empirical examples, of error in terms of measurement of tangible assets, Sveiby (2010) concludes that intangible assets are even more susceptible to inaccurate measurement as "there is no standard, no audit and it is voluntary only". Furthermore, the absence of a desire to be measured upon as an individual is deemed as a fundamental issue regarding the task of measuring the value of human capital, regardless of any suggested benefits to performance, as the risk of manipulation becomes high.

Apart from this reason for measuring IC, Sveiby (2010) lists the other primary motivation to be one of learning. In other words, attempts of measuring IC can help uncover costs and previously unknown or poorly understood value creation opportunities among other things. This is thus hailed as the option with the highest amount of long-term benefits, utilising creativity in "the design of metrics", as Sveiby (2010) puts it, to its full potential.

Most of the catalogued methods of measuring IC are score card methods. Among the most famous are the Intangible Assets Monitor, Skandia Navigator ™ and Balanced Score Card (Iazzolino & Laise, 2013; Sveiby, 2010). Although not all are bound by the recognition of IC, the main components of said methods are undoubtedly similar to those of IC; the three categories of intangible assets essential for implementing strategy as listed by Kaplan and Norton (2004), for example, being human capital, information capital and organizational capital. All these score card methods are similar to each other in that they assign no monetary valuation to IC (Sveiby, 2010).

As opposed to the characteristics of the score card methods, several other methods of measuring IC utilise a return on assets method, with a monetary valuation to IC being implemented (Sveiby, 2010). Most common among these is probably the VAIC ™ method, originally developed by Pulic (1998). Apart from being frequently used in empirical studies aimed at measuring IC, including several more recent such studies (Al-Musali & Ku Ismail, 2016; Barathi Kamath, 2007), it has been the subject of much debate in terms of its validity as a measuring method. The sum of studies lamenting the fundamental assumptions of this method, such as Ståhle, Ståhle and Aho (2011), and those focused on hailing it as not conflicting with the basic assumptions of IC, such as Iazzolino and Laise (2013), is perhaps an ambiguous result in terms of its validity overall within the IC community. This ought to be stressed as in no way being exclusive to this method, as the absence of any one universally recognised method of measuring IC is among the field's biggest issues (Dumay, 2016).

Among the different methods focused on measurement of IC, content analysis is among the most frequently used in empirical studies (Guthrie et al., 2012). However, its validity as a measurement method has been criticised for a variety of reasons, compiled and expanded upon by Dumay and Cai (2014). Apart from noting a worrying trend of subjectivity regarding the research methodology, the most critical observation is the apparent lack of new knowledge offered by contemporary content analysis research focused on IC disclosure. If no consideration of reliability coefficient is taken, the trends regarding content analysis within the IC community is bound to continue, and even if this issue is rectified, it does not guarantee the advancement of new knowledge (Dumay & Cai, 2014).

When mapping the history of IC up to that point in time, Guthrie et al. (2012) concludes that, apart from surveys, interviews remain the most frequently used method to empirically study IC. Among their primary contributions lies the in-depth details of underlying motivations behind the choice to either disclose IC or not. The popularity of this method within the realm of IC can perhaps be explained by Guthrie and Petty (2000), who, when analysing IC disclosure in annual reports of Australian companies, discuss their explanation regarding the low amount of disclosed quantified IC:

> 'Perhaps the most significant finding is that nearly every instance of reporting involved the intellectual capital attribute being expressed in discursive rather than numerical terms. What is lacking is a clear attempt to translate the rhetoric into benchmark measures that enable performance in managing the human and relational attributes of the firm to be assessed, and therefore improved, in a systematic fashion. Given the difficulty involved in trying to quantify what is, in many instances, essentially a qualitative item, the finding was not unexpected. The absence of a quantitative expression of intellectual capital items seems to confirm the widely held view that companies are, at this juncture, more interested in simply understanding where the real value of the firm lies than in assigning dollar values to such items.'

The statement from Guthrie and Petty (2000) is interesting not only due to their proposed explanation of the low levels of quantified IC, but also due to their conclusion that companies seem to be more interested in identifying sources of value to the company than measuring them. This seems to also gain validity from Sveiby's (2010) mapping of methods of measuring IC. The statement is also representative of the understanding of measuring as necessary in order to improve the managing of that which is being measured – in this case IC.

2.4. Legitimacy Theory

Broadly speaking, legitimacy theory postulates that organisations are motivated by ensuring that their conduct is seen as corresponding to the norms and boundaries of society (Deegan & Rankin, 1996; Guthrie et al., 2006). This relationship between organisation and society is described to be one in which a "social contract" between the parties, consisting of society's expectations of how an organisation should operate, is present (Guthrie et al., 2006). Due to the fact that these expectations are fluid and change over time, it falls on organisations to be watchful and responsive to their environment in order to stay within the societal boundaries of acceptable conduct.

Legitimacy theory thus postulates that in addition to organisations' disclosure of information governed by legal requirements, organisations may also choose to voluntarily disclose information if it is deemed to help establish them within the boundaries set by the social contract (Guthrie et al., 2006). According to Deegan and Rankin (1996), organisations receive incentive to stay within these boundaries due to the fact that losing one's legitimacy as an organisation respecting the expectations set by their environment may threaten their future survival.

With reference to legitimacy theory, when results regarding the voluntary disclosure of information are analysed, the incentive of the organisation to disclose certain information is to be understood as the desire to be viewed as legitimate only insofar as the disclosure of said information is viewed as legitimising by its environment. In terms of the nature of the incentive in question, information may be voluntarily disclosed as a direct response to pressure from stakeholders (Deegan & Rankin, 1996), or due to a desire to highlight actions deemed legitimising by the organisation's own understanding of the social contract.

According to Guthrie et al. (2006), the desire to draw attention to, and legitimise, certain actions may be especially relevant for organisations finding it difficult to legitimise themselves based on their activities tied solely to assets related to traditional markers of corporate success. As IC is not generally regarded as being linked to traditional markers of corporate success (Dumay, 2016), voluntary IC disclosure can be generally understood as legitimising only to the extent that they are able to convince their environment that this is the case. If disclosure of information related to IC is not viewed as a legitimising action, then legitimacy theory suggests the organisation would not benefit in terms of legitimacy from disclosing said information.

2.5. External Reports

As of this moment, the empirical evidence regarding the frequency of dedicated IC reports show a sharp decline from the early 2000's (Dumay, 2016). The supposed need for external reports filling in gaps left by the annual reports of organisations is perhaps a valid statement if legitimacy theory is correct in assuming that organisations strive towards being viewed as legitimate, and that disclosure of information is the primary way of achieving said legitimacy. In recent years, the type of external report to have achieved most wide spread use is undoubtedly sustainability reports. The evolution and current state of sustainability reports is important to the study of IC disclosure due to the lack of concentrated IC reports (Dumay, 2016), and the finding by several studies concluding that aspects encapsulated by IC components are disclosed in sustainability reports (Cordazzo, 2005; Oliviera et al., 2010).

Summarising the trends in the reporting of social and environmental issues in the years leading up to its point in time, the study by Farneti and Guthrie (2009) concludes that the use of vocabulary by organisations suggest a shift from social reporting and environmental reporting, towards the term 'sustainability reporting'. This is broadly understood as being in many ways a combination of the two former types of reports; where organisation's acknowledgement of, and work with, social and environmental issues are presented together. Concerns regarding whether sustainability reporting is missing the goal of advancing a more sustainable world, to the point of hampering it instead, are widely discussed in contemporary literature (Milne & Gray, 2013), perhaps partially due to the increased usage of such reports. More specifically, according to Milne and Gray (2013), the claim that heightened usage of sustainability reports is necessarily leading to a more sustainable world is met with scepticism. Instead it is suggested that monetary incentives through legitimacy are the primary reason for voluntary disclosure of information found in a sustainability report.

Detailing the areas of convergence between IC disclosure and social and environmental reports of the companies included in her study, Cordazzo (2005) also draws on legitimacy theory as a way of explaining the results:

> 'A social and environmental-compatible activity has then a relevant connotative role in constituting and re-constituting the social legitimation of a company. In this respect, one could say that there are some conceptual and institutional points of contact between the notion of IC and that of a social and environmental friendly organisation, in that the availability of a good IC – and especially of a relational-external capital – cannot transcend from the presence of a good set of social and environmental relationships. […] it emerges that a good deal of variables and elements relating to environmental, social and financial information correspond to some "ingredients" of the IC statement. […] Also the general subject areas (six for environmental reports, and five for social ones) in which the information contained in the Italian reports has been allocated reflect some of the basic "ingredients" of an IC report: human resources, customers, internal processes, value added, and environmental impact.'

Perhaps contrary to the understanding of the underlying reason for developing a sustainability report, IC reports are in essence motivated, at least partially, by the legitimacy it provides the organisation producing it. Besides this, the other primary incentive according to Oliviera et al. (2010), has been the promise of increased wealth stemming from the measurement and disclosure of IC within the organisation, as presented in Table 5.

TABLE 5

Summarised comparison by Olivera et al. (2005) between intellectual capital reports and sustainability reports

	Intellectual capital report	Sustainability report
Purpose	To communicate to stakeholders the firm's abilities, resources and commitments in relation to the fundamental determinant of firm value: intellectual capital.	To provide a balanced and reasonable representation of the company's sustainability performance, disclosing outcomes and results that occurred in the context of the organisation's commitments, strategy, and management approach.
Main classification	Intangible resources and activities:	Sustainability dimensions:
	Structural capital	Economic dimension
	Relational capital	Environmental dimension
	Human capital	Social dimension
Expected benefits	Contribution to the value creation process and measurement of IC value	Enable a robust assessment of an organisation's performance. Support continuous improvement in performance over time. Serve as a tool for engaging with stakeholders. Secure useful input to organisational processes.

Convergence between IC reports and sustainability reports in terms of content, with reference to Oliviera et al. (2005), can perhaps be explained by IC disclosure contributing to the expected benefits of a sustainability report. This seems especially plausible if "value creation" is to be understood as a contributor to "performance". However, Dumay (2016) suggests that if monetary wealth is the primary motive for incorporating disclosure of IC, practitioners are bound to be disappointed, as "value" is deemed a more accurate description of what IC reporting offers. Similar concerns have been voiced by Milne and Gray (2013) regarding the use, and evolution, of sustainability reports. To this end, both studies by Dumay (2016) and Milne and Gray (2013) offer a hefty amount of scepticism regarding the proposed benefits from both types of reporting, focused mainly on that the respective goals of IC and sustainability may be neglected for merely monetary wealth.

In general, studies seem to suggest that empirical studies focused on measuring IC disclosure in external reports will need to look elsewhere than dedicated IC reports, primarily due to their scarceness (Dumay, 2016). At the moment, annual reports and sustainability reports seem to be the main reports for disclosure of information related to IC. Regardless of whether the success of IC is dependent on the quantifying of its components into an IC disclosure, the ruling of the aforementioned URA 9 could be seen as a decisive blow regarding the disclosure of IC as intangible assets in the balance sheets of Swedish companies. This in turn does not signify the inability of voluntary IC disclosure, as the idea of an IC report is supplementary to required financial statements and reports (Beattie & Smith, 2013). This is also true for integrated reporting, where accounting for intangible assets and IC are made in the same report as other financial information, but not in the balance sheet (Dumay, 2016).

3. Method

In this chapter, the method of the study is detailed. Apart from motivating the choice of a qualitative research method, the scope, reliability and ethical considerations will be presented. Lastly, issues relating to the chosen method are discussed.

3.1. Choice of Method

The method by which to answer how Swedish banks are measuring and reporting intellectual capital and its components was deemed best accomplished by means of a qualitative study. Focus within the IC community is currently shifting from normative studies focused on presenting methods by which IC is measured and reported, towards understanding how and why organisations choose to disclose information related to IC (Dumay, 2016). Qualitative empirical studies focused on interviews is not only among the most popular methods of studying IC, it is also deemed as one of the primary methods by which the underlying incentives behind measuring and voluntary disclosure of IC can be understood.

Although qualitative research methods offer limitations in terms of scope, and could theoretically become problematic when attempting to draw conclusions from the answers of interviewees, using a quantitative research method provides limitations regarding broadening the understanding of underlying reasons as to why organisations chose to disclose certain information. This is further motivated by the critique against frivolous use of content analysis within the field of IC (Dumay & Cai, 2014), and made the choice of using a qualitative research method even more fitting. This also, arguably, makes comparisons with resource-based view when analysing the results even more potent, as in-depth responses from respondents are expected to aid the understanding of how work with IC is valued within the Swedish banking sector.

Similar studies focusing on voluntary disclosure of information, such as the study of Farneti and Guthrie (2009), have used qualitative research methods focused on interviews to try to provide answers as to the reason for such disclosure. This is seen as further motivating the choice of a qualitative research method.

As the definition of IC has been shaped by RBV (Martín-de-Castro et al., 2011), and as the aim of this study focuses not only on how organisations within the Swedish banking sector measures IC but also why, the professed and interpreted reasons for disclosing IC will be analysed with RBV, most notably the understanding of the term “value”, included among the requirements for an asset to produce sustained competitive advantages (Barney, 1991). Also, as suggested by Dumay (2016) among others, the fact that IC is not readily disclosed is also an area which deserves exploring in the sector of interest to this study. Using legitimacy theory to analyse the professed reasons for measuring and disclosing IC or not offers insights in terms of whether organisations within the

Swedish banking sector seem to deem disclosure of IC as legitimising or not (Deegan & Rankin, 1996).

3.2. Scope of Study

Careful consideration regarding the selection of organisations was deemed paramount to the execution of this study in order to ensure that the purpose of a qualitative study, namely that knowledge of the chosen subject matter is enhanced (Bryman & Bell, 2011), was accomplished. The selection was thus influenced by insights regarding the Swedish banking sector by Åkerblom (2016), more specifically by demonstrating that the four largest banks – Handelsbanken, Swedbank, Nordea and SEB – seem to function differently in terms of competition than other organisations within the sector. The combined market share of these four banks in terms of household lending, has been roughly at between 80 to 70 percent over the past 15 years (Åkerblom, 2016). Thus, including at least one of these banks in this study was deemed important for the findings to contribute to the understanding of the way this sector approaches IC.

The scope of the study was based on a few considerations regarding how work with IC is typically divided. With reference to the structure of IC presented in the theoretical background in general, and Martín-de-Castro et al. (2011) in particular, the division of IC into the main components of human capital, structural capital and relational capital made a strong case for the requirement of basing this study on interviews with individuals with expertise related to the three main IC components. Due to the unlikelihood of finding and convincing individuals with a strong enough grasp on each and every one of these areas to be included into this study, it was always seen as necessary to interview several individuals from each bank, which further limited the number of banks that could realistically be included in the study without the task of transcribing and translating the responses becoming overwhelming. This was also deemed as motived by the subjective focus of the applied qualitative method, where the respondents' experiences and views are precisely what is forming the basis of analysis and that the respondents' close work with each respective area of IC was likely to be found in the banks.

The scope of the study in terms of banks were based on convenience sampling; only banks with local offices in Skövde were chosen. This method offers potential issues in terms of sampling errors, were the samples – in this case banks – are not necessarily representative of the overall population – in this case the Swedish banking sector. There were limitations regarding time on the number of banks that could be included in this study, as it was written during the span of a few months which prohibited interviews from taking place after a certain point lest it affect the possibility of completing the study. As such, including as high a number as possible of the four biggest banks in Sweden – each had market shares of approximately 15 to 20 percent each regarding household lending in 2015 according to Åkerblom (2016) – offers

Based on the structure of IC, and with reference to what has been stated in the theoretical background, it was deemed important that at least one individual chosen from each bank be involved in work with HR, in order to properly examine the banks' view of human capital. This was the first priority, as human capital arguably remains the most important component of IC (Beattie & Smith, 2013; Martínez-Torres, 2006; Mention & Bontis, 2013). The respondent involved in HR were also be asked to help refer to colleagues, by means of snowball sampling, that could offer insight into their respective organisations' work with relational capital and structural capital. Alvehus (2013) defines snowball sampling as when an individual who is included in a study referrers to, and helps recruit, acquaintances to the study as fellow study subjects. In addition to this first priority of including a respondent involved with HR, the task of forming an understanding of the work with structural capital was deemed best accomplished by interviewing individuals with knowledge of the structural procedures and processes of their respective organisation. Lastly, individuals with knowledge of branding and communication practices within their respective organisation were chosen in order that an understanding of the banks' work with relational capital be accomplished.

The process of choosing the banks that would eventually be included in the study was initiated through the establishment of a line of dialogue with the banks through their respective branch offices in Skövde. This included each of the four largest banks alongside other banks with a local presence in Skövde, among them Länsförsäkringar Skaraborg. This was done for the purpose of obtaining contact details of the HR personnel to initiate contact. After having explained that the study was focused on IC within the banking sector, and that I was interested in including the respective banks in the study, I asked to be referred to someone with a good understanding of the HR practices in their respective organisation. These individuals were eventually either included in the study themselves, as respondents, or helped choose respondents, by means of snowball sampling, based on a general description of suitable experiences in order to be able to give fruitful answers to the interview questions.

In the end, reaching out to each of the four largest banks resulted in two of them – namely Swedbank and Handelsbanken – being included in this study, alongside Länsförsäkringar Skaraborg. Attempts at including SEB were abruptly ended due to not hearing back from one individual whom had been briefed on the purpose of this study and had agreed to refer my request of speaking with someone involved in the HR practices of the bank. In the case of Nordea, a line of communication was established with an individual whom had been briefed on what this study entailed and which individuals I was hoping to interview. I was ultimately given the reply that, partially due to Nordea participating in a number of theses, the individuals I was interested in including in this study were unable to do so.

3.3 Data Collection and Analysis

3.3.1 Literature

Google Scholar was frequently used to find most of the references included in this study. The databases provided by the University of Skövde were subsequently used to acquire the full version of most of the articles that were found and also to do similar searches as done with Google Scholar to find more articles of relevance. Articles were searched for primarily in the databases Emerald, Wiley Online Library, Springer Journals and part of the literature used for this study, most notably excerpts from books, were acquired in Google Scholar directly. All the searches were made in English. The keywords used to specify hits in these databases were mostly, but not limited to, combinations of words such as intellectual capital, human capital, structural capital, human capital, banks, Swedish banks, measurement, resource based view and legitimacy theory.

Early in the writing process, a number of key articles were closely analysed and helped form the basis of this study. The references used by these articles were also explored and many of these articles were included into this study in order that different areas of interest be presented, explored and used for the analysis of this study's results. Active attempts have been made to try to refer to original sources whenever possible in order that the trustworthiness of the study be heightened (Bryman & Bell, 2011). Although articles published in journals were most primarily used, a number of books on writing a study on the qualitative research method, most notably Bryman & Bell (2011), and certain topics such as IC and RBV, most notably excerpts from Sveiby (1997) and Barney & Arikan (2001), were also used.

3.3.2 Empirical Data and Analysis

Information about the banks were primarily gathered from the banks own annual reports and websites. This provided a useful understanding of the basic organisational layout and functions of the banks before engaging in interviews with the respondents and helped in the formulation of interview questions. Also, Åkerblom (2016) provided information regarding some of the included banks and motivated the inclusion of as many organisations from among the four biggest banks as possible, as their market shares are substantially higher than those of their competitors.

Semi structured interviews were chosen as the method for data collection, primarily due to its perceived usage in capturing motivations behind the organisations' work in different areas (Bryman & Bell, 2011). It has previously been used as the primary method for capturing the motivations behind organisations' choice of externally reporting on sustainability (Farneti & Guthrie, 2009). The semi structured interviews were based on three sets of interview questions consisting of general questions of reporting and IC, which were given to all respondents, regardless of their expertise, and questions that were tailored towards the three respective key components of IC, with one set of questions focused towards human capital, one towards structural capital, and one towards relational capital.

Questions were formulated with the desire to produce answers that would explain in what way IC is being measured and what the underlying reasons for doing so are. The formulations were in part inspired by a study by Beattie and Smith (2013) were part of the interviews were focused on differentiation and what part IC may play in terms of it. The inclusion of legitimacy theory as being used for this study to analyse the responses also shaped the formulation of interview questions, particularly regarding the disclosure of IC. The semi structured framework allowed for the respondents to elaborate on their views, thoughts and experiences regarding different areas of IC, which in turn allowed me as an interviewer to focus on making sure the conversations touched key topics of interest. Prior to conducting the interviews themselves, a brief explanation of IC and the IC components of interest were provided to the respondents by the interviewer in order that the, albeit vast, areas of relevance to IC – and this explorative study – be made clear and to offer greater chances of information aligned with the purpose of this study being uncovered. However, the interview questions were not given to the respondents before the interviews were conducted.

The study is based on five interviews conducted between March and April 2017. Face-to-face interviews were preferable, and suggested by the author of this paper, due to their ability to not only allow for flexible verbal communication between the interviewer and the respondent but also for their allowing for non-verbal communication through body language (Bryman & Bell, 2011). However, due to greater travelling distances and inability of scheduling several interviews with different individuals on similar dates or geographical location, three of the interviews were conducted via telephone. The interviews were all carried out in Swedish, and the responses from the respondents were translated into English.

3.4 Authenticity and Trustworthiness

The questions were formulated in such a way as to allow the interviewee to give expansive answers if they so desired, and thus the probability of producing satisfactory information in terms of expanding the understanding of IC within the Swedish banking sector was hopefully also increased.

There was a perceived risk in shaping the responses from the respondents by overtly discussing the theory of IC. As authenticity is of substantial importance to a qualitative study (Bryman and Bell, 2011), the attempt has been to try and give a fair picture of the experiences from among the respondents regarding the areas of relevance to IC. Therefore, as little of IC as possible was discussed with the respondents and topics focused on areas of interest to IC without discussing the theory's view of them too thoroughly and proposed reasons for measuring IC was avoided altogether in order not affect the authenticity of the respondents answers too much. There is no way for me as an interviewer to completely nullify the possible effect of any past experiences or subjective understanding of certain topics. My hope is that a proactive approach in foreseeing such possible effects on the answers from the respondents, and applying a semi structured interview model with questions taking this into account, has limited their impact on the answers and the authenticity of the study in general (Bryman & Bell, 2011).

In order that the responses from the respondents be available to the reader, and to lessen the role of the author's interpretation of the responses, the responses were included in the study. By recording the interviews there was not only greater conditions for a more thorough analysis (Bryman & Bell (2011), but also greater conditions for a more accurate translation of the responses into English. The inherent difficulty in translating any amount of text from one language to another means that there is always a risk of deviation in terms of accurately capturing the intent and meaning of a statement or response. With this in mind, this process was carried out with precision and care, in order that the intentions of the respondents in terms of their answers not be lost or transformed. This was done as quickly as possible after the interview had taken place, and the offer of allowing for the respondents to view their answers, and the context in which I interpreted them in the study, was made to further validate the responses included in this study (Bryman & Bell, 2011). None of the respondents who were sent their quotes expressed any desire of having the quotes altered in any way, which further ensures the authenticity of this study.

3.5 Ethical Considerations

General information concerning IC and the kinds of questions to be asked during the interviews was deemed necessary to disclose to the respondents when scheduling time for the interviews to take place and in convincing them to participate in this study. Also, a brief description of the components of IC was presented to the respondents before the recording begun, in order that the area of interest be made clear to the interviewee and in order that the interviews be fruitful in terms of their empirical data.

The interviews conducted for this study were all recorded in order to aid transcription and translation of the responses (Bryman & Bell, 2011). At the behest of the expressed wishes of a number of the respondents, the quotes included in this study were emailed to those respective individuals before the thesis was finalised. Also, the recordings and transcriptions have been stored as backups with access limited to the author of this study in order that confidentiality be maintained and to avoid material not used in the study being taken out of context or being exploited (Bryman & Bell, 2011).

3.6 Method Choice Reflection and Critique

Using interviews as the primary way of collecting empirical data poses a number of potential issues. As with any interview, the interviewer is at the mercy of the respondents' wilful participation and there are limitations as to what the interviewer can do in order to receive information of relevance.

There is also the question of confidentiality; that the respondent may purposefully choose to withhold certain information or downplay the importance of a certain action, asset etc. due to fear of it being exploited or perhaps not being allowed to speak on a certain subject. Although the interview questions were formulated with this in mind there is no realistic way of eliminating the potential for information of relevance purposefully being omitted from the knowledge of the interviewer and author of this paper. However, as the study is an explorative one, and does not attempt nor claims to attempt to fully map out all relevant information regarding the ways of – and reasons for – measuring IC in the Swedish banking sector, the potential issues of this nature ought to be negated at least to some extent.

There also remains the potential of the authors' personal experiences and views affecting the interpretation of the responses from the respondents. Although semi structured interviews were chosen, transcripts from the respondents' responses and the interviewers' interpretation of them were produced to whomever among the respondents requested them, and topics which the respondents themselves brought up were not dismissed or discouraged by the interviewer in any intentional way, the possibility of certain misunderstanding may still remain. The author of this study points towards the actions mentioned above as meriting in terms of attempting to provide a high level of trustworthiness and authenticity of the study as a whole.

Looking back, seeing as this study set out to explore not only how IC measurement is conducted within the Swedish banking sector but also why, the choice of using a qualitative research method with interviews in order to collect empirical data was deemed to most likely be the appropriate method.

4. Empirical Data

In this chapter the empirical results of the study will be presented. The chapter is initiated with a short introduction regarding the respondents to the interviews and the respective company they represent. A summary regarding the most important preliminary findings conclude the chapter.

4.1. Companies and Respondents

A total of five respondents situated in Stockholm, Gothenburg and Skövde participated in this study. None of the respondents included expressed any wishes to be quoted anonymously and so the quotes presented in this chapter are directly linked to its respective originator in terms of their name, position and organisation. In terms of diversification, the age of the respondents and their years of experience with their respective organisation is not expressed or used as diversifying factors. Three of the respondents are women and two are men.

TABLE 6

Respondents and Interview Details

Name	Job designation	Bank	Interview method	Interview duration
Annelieke Ettema Luczak	Head of Recruitment and Internal Mobility	Swedbank	Phone call	Approx. 33 min
Staffan Liewendahl	Marketing Manager	Swedbank	Phone call	Approx. 25 min
Katarina Persbratt	HR-Partner	Handelsbanken	Phone call	Approx. 31 min
David Seiving	Head of Communications	Länsförsäkringar Skaraborg	Face-to-face	Approx. 21 min
Pernilla Östberg Nilsson	Head of HR	Länsförsäkringar Skaraborg	Face-to-face	Approx. 26 min

In order to understand the analysis and findings of this study within its context, a brief description of each bank included in this study is given below. Subsequently, empirical data regarding IC and each of its components is presented.

4.1.1 Swedbank

Swedbank is a Swedish limited company which has been active in the Swedish banking sector since 1820 (Swedbank, 2017b). It is one of the four biggest Swedish banks and is mainly active in

Sweden, Estonia, Latvia and Lithuania. Swedbank had a total income of 41 635 million Swedish kronor in 2017, and has a market share regarding lending to private customers of 23 percent (Swedbank 2017a). As of 2017, Swedbank has roughly 13 900 employees (Swedbank, 2017b).

4.1.2 Handelsbanken

Handelsbanken was founded in 1871 and is a Swedish limited company (Handelsbanken, 2017b). It is among the four biggest Swedish banks and they list Sweden, the United Kingdom, Denmark, Finland, Norway and the Netherlands as being their home markets. Among these countries, most of Handelsbankens branches are located in Sweden. In 2016, Handelsbanken had an average of 11 759 employees and a total income of 40 763 million Swedish kronor (Handelsbanken, 2017a).

4.1.3 Länsförsäkringar Skaraborg

Länsförsäkringar Skaraborg is a Swedish limited company primarily active in the banking- and insurance sectors in Sweden (Länsförsäkringar AB, 2017). It is one of the companies that make up Länsförsäkringar AB, which is made up of a number of limited companies, all of which are customer owned. Länsförsäkringar have been active within the banking sector since 1996 and the accumulation of its subsidiary companies banking activities make it the fifth largest in terms of market share in Sweden. Länsförsäkringar Skaraborg's activities within the banking sector is part of Länsförsäkringar Bank, a subsidiary company of Länsförsäkringar AB (Länsförsäkringar Bank, 2017). In 2016, Länsförsäkringar Skaraborg's net profit was 94 million Swedish kronor and the company had 152 employees.

4.2. Work with Intellectual Capital

Of the three banks included in this study, not a single one had a dedicated IC report. The result correlates with studies focused on contemporary IC reporting, showing an almost complete absence of such reports among listed companies. The respondents in this study suggested that, aside from not having a framework used actively within their respective organisations for IC, IC is relatively unknown in general:

> 'We do not use that particular term [intellectual capital] […]' [Annelieke Ettema Luczak, Swedbank]

Beyond merely describing their respective unfamiliarity of the term IC, several respondents noted that this is in no way was a value judgement regarding intangible assets. Instead, the unfamiliarity was suggested to be due to the increased amount of business theory being amassed in recent decades among which specific theories are seldom applied directly within organisations. However, all respondents made it clear that, although previously unaware of the term IC, the areas that IC aims to measure and validate were held as important to their respective organisations:

> '[…] as a service company, our co-workers are our singular largest asset, and thus we continually work with intellectual capital in that sense.' [David Seiving, Länsförsäkringar Skaraborg]

Although the human element was the component which was most often referred to by the respondents, the concept of the respective components of IC affecting each other, interestingly, was readily acknowledged as well. Also, when summarising the trends within the industry as a whole, digitalisation and its effects on the value of human- and relational capital also was commented on:

> '[…] but of course banking is a people-business. Although it is becoming progressively more digitalised, it is very human-intense and relationship-intense.' [Annelieke Ettema Luczak, Swedbank]

The response regarding the present effects of increased digitalisation not being deemed such an overwhelming force as to presently be excluding the need of knowledge embedded in the staff and relationships was supported by the responses of several respondents. Worth noting is that digitalisation was not explicitly stated to be relevant to the discussion of intangibles and IC, yet was frequently discussed by the respondents nonetheless.

4.3. Human Capital

In terms of human capital, all of the respondents made clear that their respective organisations do, indeed, incorporate it as part of its activities. A frequent answer by the respondents regarding the nature of such work was the work with HR and the part which knowledge plays in this field. This was most immediately mentioned to be relevant in the act of offering products to clients, which is frequently done face to face:

> '[…] the industry we work in is built solely on our co-workers. We do not sell anything apart from our co-workers' knowledge, really. We sell insurance and financial products, but whether our co-workers can sell them to our customers is the basis of everything [in our industry].' [Pernilla Östberg Nilsson, Länsförsäkringar Skaraborg]

Acknowledging the need for knowledge embedded in the staff, several respondents made it clear that their respective organisation's success hinders on the success of its internal education. There were examples given by the respondents detailing the structure of such internal education, such as training programmes, classroom education and integrated learning. Here, the need to comply with regulations regarding the competence of those giving financial advice was heeded as a clear motivator for issuing such training programmes. Also, respondents commented on the absence of any externally provided training programme, further ensuring the need for internal solutions to address the required knowledge being embedded in the staff.

Although the primary incentive regarding internal training programmes seems to be compliance with regulation, other descriptions were mentioned by the respondents. Most notably, the perceived value in terms of training programmes was highlighted by one respondent:

> 'Seeing as we have close to 99 % internal recruitment, we are constantly working long-term with our co-workers. […] We do constant updates to our knowledge. There are several additional courses available to those working in the bank where you can sign up and receive documentation that you have gained certain knowledge. It is a sort of education factory.' [Katarina Persbratt, Handelsbanken]

The statement points towards a link between internal education and internal recruitment. Through constant improvements and revisions, internal education programmes are suggested to not only heighten the knowledge of participants, but offers individuals increased opportunities within the organisation itself. Here, it is clear that knowledge is viewed, at least partially, as an investment.

In addition to the mentioned benefit, the subject of diversity was also brought up. Beyond detailing the sense of knowledge embedded in individuals to be very real and that this knowledge can be put to use, one respondent explained that their organisation was actively harnessing this knowledge to the benefit of the organisations and its individuals:

> 'Internal mobilisation, that people are able to change occupation [within the organisation], is incredibly important, as this creates high amounts of knowledge embedded in individuals. The same is the case for diversity, where a team made up of individuals whom have worked in different places creates high amounts of knowledge as people learn from each other. Having a group of people with diverse backgrounds share their respective experiences with each other creates more knowledge than a group made up of people with identical experiences.' [Annelieke Ettema Luczak, Swedbank]

Another common response regarding perceived benefits from human capital related investments and activities was customer satisfaction. Intermittently, this link was commented on without leading questions regarding its correlation or even its very existence. Two of the respondents directly credited the internal training programmes in their respective organisation's pursuit of improving customer relations:

> 'We want to have good results, low costs and satisfied clients. This is dependent on us being able to do good business. The more you can do, the more business you can generate. If you have co-workers who feel that the more they learn, the better service they can offer [their] clients, you are going to generate more business. […] The more you know, the better you can help the clients. We are expected as bankers to go beyond what is initially asked of us by our clients. We are expected to give advice on complex matters, to constantly update our knowledge in order to act correctly.' [Katarina Persbratt, Handelsbanken]

Beyond merely asserting that there are financial benefits gained from increasing the knowledge of the organisation's staff, the respondent in question proclaimed that regulations enforce the need for those working in the banking sector to be 'competent and capable'. As such, the regulations were credited to have created an environment where not only expertise is mandatory, but where the acquisition of further knowledge is encouraged by the organisation and its individuals.

4.3.1. Measurement and reporting of Human Capital

When asked if their respective organisation measured human capital, a number of respondents mentioned statistics related to their staff. Most commonly mentioned, in addition to data regarding number of employees, was sick leave. However, the realm of internal training and education was exemplified here in terms of quantified measurements by one respondent:

> 'The measurements we use are number of employees, sick leave, […] our number of training programmes, how much we have invested in training each year.' [Pernilla Östberg Nilsson, Länsförsäkringar Skaraborg]

In addition to this, measurements and data regarding the age and gender distribution was said to have been incorporated for several years. Also, satisfaction of staff members was explained to be routinely measured and to be of high importance within the HR practices by a number of respondents. Although most of the training regarding several positions within the bank is, as mentioned above, offered internally and subject to routine updates, measurements regarding the education of staff was also present among the organisations of this study according to several respondents.

A clear result extracted from the interviews with several respondents was that a number of human capital related measuring, as mentioned above by the respondents, are also externally reported to some extent. This was mentioned by the respondents to take place in the annual reports. The measuring was described as being numerical and no indication was offered to suggest that any method other than simple addition has been used to in any way quantify or analyse human capital. One respondent made mention of what human capital related measuring is reported and offered an explanation for why more is not reported:

> 'We report how many of our employees have SwedSec-licences and that those who work with mortgages have mortgage-licences. But we do not report how many have received certain training and so on because there are no legal requirements to do so. Annual reports are already several miles long. With everything that needs to be included, including all the notes, there is no room.' [Pernilla Östberg Nilsson, Länsförsäkringar Skaraborg]

The subject of training programmes is one which, according to several respondents, is closely followed up by higher management. It was also said to be routinely compared and reported internally in order that long term goals regarding the knowledge of the staff be readily reviewed as time progresses.

One respondent offered an explanation as to why certain areas curtaining to human capital was not more readily reported externally:

> ‘Our work with staff planning is strictly internal in terms of reporting. […] It is confidential, as we do not want to disclose that information to our competitors.’ [Annelieke Ettema Luczak, Swedbank]

The response suggests that beyond space limitations in external reports and the absence of legal requirements regarding IC disclosure, potential damage to the company is also considered when choosing to disclose IC or not. Although similar responses were not mentioned by other respondents, the comment is noteworthy in its relation with underlying motives for disclosure of IC.

4.4. Structural Capital

Regarding structural capital, the responses from the respondents made it clear that it is incredibly important to their respective organisations. Recognition of the speed in which digitalisation has come to be continually changing the way the sector, and overall society, functions was credited by the respondents as the main reason for this.

This has reportedly had a huge effect on the more common ways of doing business. Several respondents quoted that it used to be that most business transactions and handling of clients happened in person. Due to digitalisation, quick options of wireless communication, and a generation who have incorporated it in their daily lives from an early age, has led to more and more business being conducted via email, social media and apps. This has heightened the importance of IT, digital development, digital software, databases among other things, all of which are included in the structural capital component.

The respondents were unanimous in mentioning that the amount of routines and digital systems have increased over the years. Beyond merely incorporating new systems, substantial amounts of work was credited to have been put in to making a larger portion of manual labour digitalised and more structured. Also, underlying systems to make different services function more orderly was mentioned to being incorporated or on the way of becoming incorporated:

> ‘We have a master computer system […] which is connected to all work within the company. […] Everything is registered. There are banking systems with forms where everything must be filled in correctly. We have insurance systems containing information given to us by our customers detailing what kind of insurance our customers have. All this information is incorporated in different kinds of systems. There are many types of systems in our industry. We have not implemented processes for everything yet, but there will eventually be processes

> for everything regarding work with our customers.' [Pernilla Östberg Nilsson, Länsförsäkringar Skaraborg]

The responses point towards the work with structural capital becoming even more substantial than it currently is, with processes and routines in place for most of the everyday work within the organisations. Commenting on the need for work regarding corporate culture, a number of respondents expressed the sense that, due to digitalisation making it easier to communicate, there is a tangible need for a presence on social media. That was identified as one of the primary places where the organisation meets and corresponds with clients. The amount of time and effort put into place is thus reduced through the work with corporate culture, which was deemed as incredibly important by several respondents and something which requires constant attention:

> 'Everything we do and say affects our corporate culture. We choose words to summarise our business which affects the corporate culture top-down. We put in a lot of work with community involvement. We put in a lot of work with diversity. It is made clear that the way we respond and communicate with our clients can have a big effect. We have a lot of people in our organisations whom have different cultural backgrounds. Our culture needs to be able to support that and draws upon the strengths from every individual.' [Annelieke Ettema Luczak, Swedbank]

Also, in addition to digitalisation being a fundamental reason for the increase in routines, another reason was mentioned by the respondents:

> 'Our sector has always had a lot of routines, but the rapid increase in legal requirements has led to a significant increase [in the amount of routines].' [Annelieke Ettema Luczak, Swedbank]

Respondents mentioned that, following the financial crisis in 2009, there has been an increase in the number of legal requirements within banking. All organisations within the sector are expected to abide by these requirements and they were credited by the respondents to frequently include routines needed to be put in place. There is also a need for the routines to make possible for the Swedish Financial Supervisory Authority (Finansinspektionen) to monitor certain activities within the organisations within the Swedish banking sector. This has also affected the need for more work being conducted in regards to structural capital. The need to comply with the Swedish Financial Supervisory Authority's demands was, however, understood as having led to a number of benefits to the organisations:

> 'Many of our co-workers have expressed that it used to be easier, before all the [new] legal requirements. […] But at the same time [legal requirements] lead to improvements, because you cannot do wrong. […] As soon as something is manual there is a risk for error, especially if you have a lot to do.' [Pernilla Östberg Nilsson, Länsförsäkringar Skaraborg]

Several of the respondents described the subject of more routines being incorporated as neither being explicitly positive nor explicitly negative. Instead, a more ambiguous attitude towards the amount of work with structural capital growing due to legal requirements and digitalisation was identified.

4.4.1. Measurement and reporting of Structural Capital

No examples regarding the measurement of structural capital was reportedly taking place according to the respondents. Also, not many intangibles belonging to structural capital were reported as being disclosed internally or externally. Newly developed apps or digital services were quoted to have been less commented on in annual reports, as information regarding these are typically shared with the clients directly through the digital services the organisations provide. There was, however, reportedly a sizeable amount of internal disclosure regarding the corporate culture and values of the organisations.

4.5. Relational Capital

Customer satisfaction was readily discussed by the respondents. Respondents commented on customer satisfaction surveys as functioning as a means for the organisation to receive useful information regarding what the organisation is doing right and what can be improved upon, according to the client. Suggestions from the clients can be evaluated, discussed and implemented in order that clients become more satisfied and the organisation increases the chance of continuing handling their business. Maintaining high levels of customer satisfaction was deemed incredibly important to the organisations:

> 'This is an industry based on trust, both in banking and insurance, and there is some sort of relational capital in our customer relationships. […] So in that sense there is substantial amounts of relational capital, and it is the foundation of our entire brand, really.' [David Seiving, Länsförsäkringar Skaraborg]

In addition to customer satisfaction, there was the surprising mentioning of customer satisfaction being extended in the future to include the customer satisfaction regarding the partner organisations which Länsförsäkringar Skaraborg referred its clients to when the need arose. This was mentioned to be mostly used within the context of insurance, yet due to the organisation having clients whom are both insurance clients and banking clients it affects the service and aid it can offer banking clients as well.

The fact that Länsförsäkringar Skaraborg are active in banking and insurance was credited as having a positive effect on their relationships with clients. By offering services within more than one domain, clients can be referred to the other service branches that the organisation are active in. The organisations can thus offer their clients the service of compiling their monetary transactions and dealings within the umbrella of one company. This, the respondents mentioned, leads to stronger relationships which are deemed incredibly valuable, and was also suggested as being related to the organisation being voted the bank with most satisfied customers (Länsförsäkringar Skaraborg, 2017).

Beyond the already mentioned aspects of Länsförsäkringar Skaraborg affecting relational capital, it was also suggested that the fact that the organisation is customer owned had an effect on the way it valued its relationships with clients:

> 'We share an interest in the habitability of areas where people live and are working with preventive measures to limit damages. These are relationships of value as it benefits us to work towards the same goals, because this may reduce future damages, which means that we can limit our expenditures and can charge our clients, whom own us, less. The fact that we are owned by our clients might mean that our relationships are even more important. […] We have no other employers than our clients, no other owners who need to make a certain amount of return on their investment. We are creating as much customer value as we can for as little money as possible; that is our directive. It is immensely important.' [David Seiving, Länsförsäkringar Skaraborg]

The value seemingly stemming from the relationships with clients was credited as being viewed as concrete and significant. It is also noteworthy that client ownership is understood as heightening the importance of the relationships with clients, and that the financial success of the organisation is tied towards the wishes of the clients that the organisation meets and do business with.

Not only clients and partner organisations were mentioned in regards to relational capital. Pointing towards the organisations' role within society, active involvement in the communities where the organisations are active was also quoted as being important:

> '[Our community involvement] is an extremely important question to us. […] We work a lot with setting up internships for youths, setting up internships for academics from abroad, educating youths in personal finance, preventing bullying through our cooperation with Friends (a children's rights organisation) and thus preventing that youths do not finish their high school education. These are all questions of importance to the community and, therefore, also to our bank.' [Staffan Liewendahl, Swedbank]

The wider understanding of the kinds of relationships understood as relational capital is directly mentioned here. Not only are the relationships with individuals and groups of people whom are already clients of the organisation valuable, but also the relationships with other social agents and its surroundings.

4.5.1. Measurement and reporting of Relational Capital

Customer satisfaction was credited as being measured by all organisations included in this study. The most widely credited method of measuring was surveys, which, according to the respondents, are in some cases measured daily and is constantly being documented and evaluated:

> 'We follow up national customer satisfaction measurements both internally and externally, but also through "quicker" customer satisfaction measurements where we ask customers who have visited us for consultation if they would like to participate in a quick survey via text message directly after their visit. We are diligent with our handling of clients' comments, making sure the processes run smoothly, registering the amount, what the subject matter is and how our handling can be improved upon.' [Staffan Liewendahl, Swedbank]

Standard questions are issued in the surveys which enables the implementation of quantifying some of the answers which makes for clear comparisons over time.

The distribution of surveys used for measuring customer satisfaction was reportedly distributed through different channels. The channels chosen were seemingly connected to the channel by which correspondence with the client was carried out, whether by a meeting in person, over the phone, via the webpage, chat services or email. The defining question, according to one respondent, was the likelihood of someone whom have been in contact with the organisation to recommend them to someone they know. This was described as being the result of trends within this kind of survey service over the past few years.

Examples of other measurement methods related to relational capital were also mentioned in the interviews:

> 'We measure the number of US accounts we have opened during the year. We measure how many times we have visited and given lectures in high schools and how many students we have met. We also measure the number of companies we have helped develop through external partnerships.' [Staffan Liewendahl, Swedbank]

The measurement of factors related to the relationships established and maintained through active work demonstrated here are interesting not only because they indicate creativity in what can be measured, but also is clearly tied to the goals of maintaining that specific relationship. The work within the community which involved establishing and maintaining substantial amounts of relationships was also credited as being recognised by clients.

Relational capital was repeatedly mentioned by the respondents as being disclosed. Not only internal reports were credited as taking place, but also external disclosure. Customer satisfaction was, again, most widely mentioned as the primary form of relational capital being disclosed:

> 'Nowadays all customer satisfaction measurements are boiled down to Net Promoter Score […]. We implemented [it] about a year ago, and it will be included in future annual reports as it is among our main goals on the organisational level. I do not think it is found in the latest annual report, however.' [David Seiving, Länsförsäkringar Skaraborg]

Here, the measurement of how likely customers are to recommend an organisation to someone they know was credited as being so important as to not only warrant disclosing it, but to incorporate it as among the organisation's main goals. Insofar as this is deemed as a relational capital measurement it indicates that relational capital is, indeed, seen as genuinely important.

4.6. Differentiation

Almost all respondents commented on the vast amounts of legal requirements involved in the banking sector in Sweden. Perhaps not surprising in light of this fact was the often mentioned similarity between the organisations competing in this market and the limitations this places on the use of hard assets in order to differentiate. Here, interestingly, the use of what would generally constitute human capital and relational capital were mentioned as the primary factors of differentiation:

> 'Our core operations probably do not differ from our competitors too much. Almost all banks offer the same products and services. We can differentiate through our staff, ensuring we are competent in the personal meeting [with our customers].' [Staffan Liewendahl, Swedbank]

The need of adapting to digitalisation was frequently mentioned as being so essential to the industry in general that it is proving difficult to differentiate solely by means of digital development. Although the interviews do not suggest that technological and digital systems and services are merely seen as supportive and passive parts of the organisation's infrastructure, the pressure from competitors and continuous development seem to be making it a less likely candidate for the primary means of differentiation.

Although there seems to be some recognition of the general availability in regards to technology making it difficult to capitalise on it, perhaps rather paradoxically, work with societal issues and that which is generally disclosed in a sustainability report was mentioned as a means of differentiation. Here, as opposed to digitalisation, there seems to be a sense of room for the organisations to focus their attention on what they deem to be worthwhile causes and have the disclosure of that activity be a means of differentiation:

> 'This is where our brand plays an important role, and where we can differ from our competitors by taking a bigger role in helping to solve problems in society. […] It may not make such a big difference as we would like it to do, but it clearly does make a difference. We also realise that we can improve in making our customers aware of this work. […] We want the knowledge of this work to reach our customers.' [Staffan Liewendahl, Swedbank]

Indeed, the respondent went on describing that the work put in to working with societal issues had led to clients choosing that organisation with which to do business with. Closely tied to this idea of working with wider issues in society was the repeatedly mentioned establishment of relationships with individuals and groups within the community. As such, close bonds with individuals and insight into their particular situation was deemed by some of the respondents to be achieved through a strong local presence:

> ‘We also put great stock in the importance of being local. Even if it would perhaps be more efficient to have a dedicated call centre somewhere else we prefer to have our people here. We enjoy having a relationship with our customers, that you may meet them in the queue at the grocery store. […] Other banks are shutting down offices, shortening their opening hours, cutting down on their staff, being very profitability oriented. We, on the other hand, maintain that there is value in being close [to our customers]. Of course, we also work with digital development; we need to have a world class app – that is obvious. We believe that a close relationship with our customers and a good digital range strengthens each other.’ [David Seiving, Länsförsäkringar Skaraborg]

The response also suggests that separate work with intangibles has a tendency to strengthen each other. The examples given are of interest, particularly due to the mentioned intangibles belonging to different components within the theory of IC.

5. Analysis and Discussion of Data

In this chapter, the primary findings of the study are analysed with regards to the topics in the theoretical background and comparisons to earlier studies are made. Resource-based view and legitimacy theory are used as primary theories to draw conclusions from the responses of the interviewees.

5.1 Value of work with IC

There have been many studies focused on mapping and explaining the motivations behind organisations choosing to work with IC. There has also been a discussion regarding whether an expression of the belief that work with IC is important inevitably requires assigning a monetary or quantitative value to these intangibles. In accordance with the expressed view of Dumay (2016) regarding value, rather than wealth, as being the result of IC disclosure, the organisations all offered explanations of the results of work with intangibles to be of value. That the concept of value was readily discussed and reflected upon by the respondents points towards a clear absence of focus solely on monetary value. Instead, it signifies that a broader understanding of what is gained by working with intangibles included in the IC framework is adapted.

This is not to say that monetary value was not brought up by the respondents as a gain from working with intangibles included in the IC framework. In fact, similar to Dumay's (2016) claims regarding different ways of perceiving value, monetary gain was among the different gains mentioned from working with IC. However, the understanding of value was clearly broader than that, as examples of utility value – customers being willing to pay more to satisfy a desire – such as competent staff being able to solve client's issues and draw from experience of others, were readily mentioned by the respondents. This points towards an understanding of these intangibles aligned not only to that of RBV (Barney, 1991), but also of later definitions of IC such as those suggested by Kianto et al. (2014).

Furthermore, the experienced value gained from work with IC and its components was verified despite the acknowledgement of financial expenses tied to intangibles. The responses from the respondents suggests that even though parts of what is included in IC, in particular human capital, is strictly speaking a cost, the value stemming from those activities are immediately recognised through the broader understanding of value used as the measurement of success. This also aligns with later understandings of the human capital component of IC such as that described by Martín-de-Castro et al. (2011).

Additionally, among the results of this study, work with human capital in the form of internal training programmes had the expressed added benefit of creating a more well-functioning internal job market. This benefit is hardly an example of a monetary value; instead, a benefit which offers value in its utility and through increasing the knowledge of its staff. This finding correlates with the claims by Dumay (2016) regarding the pluralist understanding of value typically recognised by organisations. Additionally, also in correlation with Dumay (2016), the value gained from this knowledge was readily credited to lead, among other things, to monetary value by means of the staff being able to better aid clients.

Overall, it is noteworthy that such a broad sense of value seems to have been adapted by organisations within the Swedish banking sector. This finding is deemed significant as it suggests that the very basic assumptions of both IC and RBV – derived from Martín-de-Castro et al. (2011) and Barney (1991) and understood as a focus on value as the measurement of success – is seemingly aligned with the assumptions of organisations within the Swedish banking sector. As such, the findings contrast claims that work with IC is not readily perused and that a lack of dedicated IC reports necessarily stems from not viewing the intangibles included in IC as valuable.

5.2 Measurement of IC

Among the more fundamental findings of this paper, there seems to be certain amounts of measurement regarding IC components and intangibles among organisations within the Swedish banking sector. The amount of measurement regarding intangibles incorporated in the IC framework mentioned by the respondents were not numerous nor strayed far from what, with reference to trends in management development over the two decades (Guthrie et al., 2012), can be readily expected to be measured to some degree.

The measurements mentioned by the respondents are noteworthy for their focus on primarily knowledge of staff and relationships with external stakeholders. Through seemingly close management and incorporated measurements regarding customer satisfaction, constant revisions and updates to internal training programmes are made possible. Indeed, customer satisfaction, insofar as it is understood to be a part of IC – which Mention (2011) among others have readily accepted when applying content analysis – was by far the most readily mentioned and discussed intangible that was measured by the organisations in the Swedish banking sector. This is not surprising, as customer satisfaction is readily measured in most organisations.

The measurement applied to customer satisfaction is simple with reference to methods for measuring IC catalogued by Sveiby (2010). However, it is the most readily available example of how to quantify intangibles, and how IC measurement can be realised and disclosed. The results of this paper also points towards expansions of similar measurements, exemplified by the measuring of customer satisfaction regarding, external, associate partner organisations. The proposed value derived from such endeavours with reference to RBV, as in the case of customer satisfaction regarding the organisation itself, are primarily tied to the understanding of the resource itself and, subsequently, the increased ability to utilise it more effectively (Barney, 1991). This indicates that when utilising measurement of IC, the organisations included in this study are acting in accordance with the learning motivations which Sveiby (2010) categorised as being the choice with most long-term benefits.

In accordance with Guthrie and Petty (2000), the perceived value from working with intangibles expressed by the respondents in this study seems to be motivating organisations within the Swedish banking sector to increase their understanding of these assets rather than quantifying and measuring them. Although these acts need not necessarily be mutually exclusive, the issues in measuring IC components has long been a notable issue (Dumay, 2016).

However, the more readily mentioned fact regarding the respondents' respective organisations was that measurement of intangibles was taking place but was often not being disclosed. This has been previously mentioned by Dumay (2016), followed by critique of how the promise and previously widespread claim that wealth creation as a result of IC disclosure is unfounded, with regard to empirical evidence. Considering the general lack of dedicated IC reports (Dumay, 2016), and of IC disclosure in general, intangibles included in the IC framework seems not to be intrinsically deemed necessary to disclose. This seems especially true of structural capital, of which there were no examples of disclosure or measurement mentioned by the respondents. This is noteworthy, especially considering the frequent mentioning of the importance of intangibles included in structural capital to the organisations.

If viewed through the lens of RBV, the reason for this could be understood as intangible assets not being solely important enough as to warrant their own external report, even though they are seemingly deemed important to the economy in general and by the organisations themselves. However, the responses from the respondents suggest this is not true. Rather, the results of this study seem to suggest that it is the measurement and external reporting that is viewed with scepticism. As such, this finding correlates with those by Dumay (2016).

It is important to note that the findings regarding overall lack of measurement and disclosure of IC does not conflict with the fundamentals of RBV (Barney, 1991; Martín-de-Castro et al., 2011). Rather, RBV, insofar as it is understood that value can be derived from resources without the need for measurement or disclosure, offers legitimacy in the pursuit of such resources by their perceived value – to such an extent that such a perception is a realistic one. This can be thought of as indicating that if work with certain intangibles is generally deemed valuable, the need for measuring and disclosure is reduced, as has been suggested by Sveiby (2010). It is reduced due to the primary goals regarding resources, tangible and intangible, being to identify them as valuable and to harness their potential. That is not to say that IC measurement does not necessarily help to harness the potential of intangibles – as suggested by Bontis (2001), Brüggen et al. (2009), Isaac et al. (2010), among others – merely that the responses from the respondents indicate that it is not perceived of that way. In this sense the findings of this paper correlate to those of Guthrie and Petty (2000), documenting a low amount of IC being quantified by organisations, instead favouring discursive terms to help explain their work with IC internally and externally.

5.3 Differentiation

Another related finding was the expressed experienced similarity between competitors within the Swedish banking sector. In accordance with Guthrie et al. (2006), this study suggests that in the absence of differentiating by means of products or services, knowledge, community involvement and similar intangibles included in the IC framework become more important means by which differentiation is achieved.

This point was stressed by several of the respondents, where human capital, primarily the competence of staff, was most frequently mentioned as their respective organisation's primary means of differentiation. Beattie and Smith (2011) found human capital to be the most frequently identified source of differentiators from among the respondents in their study. The finding in this study is worth stressing, especially with reference to what has been stated regarding the external disclosure of IC and its inherent value. Considering the claim that the value of human capital consists through the present rapid technological advancements within the sector, the basic assumptions of IC, in terms of intangibles being valuable to organisations, ought to be viewed as being supported by the empirical data of this study. This finding thus correlates with previous claims by Grant (1996), Guthrie et al. (2012), Kaplan & Norton (2004), among others, regarding IC's importance in the wider economy, and certainly for organisations themselves.

Indeed, beyond merely acknowledging a lack of pressure to increase their respective organisation's IC disclosure, work with intangibles included in IC, most notably relational capital, was desired by one of the respondents to be more widely discussed by stakeholders and be deemed legitimising. It is important to stress that the perceived value of relational capital, whilst not being as readily discussed as the respondent in question may have wanted it to be, was great enough in its own right to validate working with it.

The work with relational capital was also considered to differentiate the organisation from its competitors, which again points toward the perceived nuanced value from working with IC. These findings, however, are seemingly at odds with the simultaneous lack of disclosure of IC. Although several of the respondents professed intangibles included in the IC framework of being used for differentiating their organisation from their competitors, most intangibles were not disclosed in their respective organisation's external reports. This suggests that there are more factors which need to be identified in order to answer the question as to why IC is not more readily used for differentiation purposes in the external reports of organisations.

5.4 IC and competition

The results of this study also suggests that the identified behaviour among organisations within the Swedish banking sector to measure, and even internally report, their work with certain intangibles included in the IC framework, but not disclose it externally, can also be understood by means of RBV. The expressed perceived value of work with some of the aspects within the components of IC seem to be so deeply held that it is not disclosed precisely because it is deemed valuable, and so there is little incentive to have said information reach their competitors, for fear that they may exploit the same, or similar, resources.

Correlating with findings by Andersén et al. (2016) which point towards voluntary disclosure as potentially undermining the value of strategic resources, the results of this study suggest that organisations within the Swedish banking sector are cautious of disclosing their work with, and value derived, from certain intangible assets included in the IC framework. With reference to the finding of this paper, it is suggested that the decision to voluntarily disclose intangibles captured by the IC framework can, at least partially, be understood in terms of its potential to be exploited by competitors. The IC framework ought thus to be able to benefit from research from within the RBV realm regarding the effect of competition on resources.

Within the RBV literature, there are notable amounts of studies on the topic of voluntary disclosure and how it relates to the successful implementation of strategies focused on strategic resources. A suggested explanation as to why voluntary disclosure would have a negative effect on the value of a strategic resource is that it helps explain to other external parties, including competitors, how the resource works and how it is harnessed or transformed into value. This may diminish the inimitability of the resource itself and may in time lead to the resource becoming more easily substituted by other resources by competitors. Thus the results of this study correlates with that of Guthrie and Perry (2000) and Andersén et al. (2016), that organisations willingness to utilise resources for their own gain is deemed by organisations to be achieved through understanding the resource in question, and not necessarily by disclosing it externally.

This study thus offers an explanation as to the general lack of dedicated IC reports and IC disclosure overall. Rather than suggesting that there is definitively no value gained from disclosing IC, the findings of this study suggest that competition is taken into close consideration by organisations before work with intangibles is disclosed externally. This finding is correlated with those by Mitchell Williams (2001) regarding IC disclosure. If work with intangibles included in the IC framework are deemed best kept from external parties', and no legal requirements for disclosure are present, organisations will most likely not disclose it. This also gives credence towards the previously mentioned finding that organisations within the Swedish banking sector are viewing such intangibles as valuable.

5.5 IC and legitimacy

Regarding external reporting, the empirical results of this study suggests that there is little pressure from stakeholders to have organisations within the Swedish banking sector report their work with intangibles captured by IC. Applying RBV towards the intangibles and identifying them as valuable insofar as they can potentially aid organisations to achieve a lasting competitive advantage – but acknowledging that disclosing and even measuring the work with said intangibles seemingly does little to increase the resources' value – does not explain why organisations would choose to disclose IC anyway. Applying legitimacy theory seems to offer an explanation to this, but only to the extent that it helps organisations to appear more legitimate.

With reference to legitimacy theory, as IC is not generally regarded as being directly parallel to traditional markers of corporate success, voluntary IC disclosure can be generally understood as legitimising only in so far as they are able to convince their environment that this is the case (Deegan & Rankin, 1996). If disclosure of information related to IC is not viewed as a legitimising action, then legitimacy theory ought to suggest that organisations do not benefit in terms of legitimacy from disclosing said information.

However, with reference to the fact that legitimacy theory professes that organisations that successfully predict how the expectations of society will shift may use this to their advantage by disclosing acts which will become legitimising in the future (Deegan & Rankin, 1996). In this case, the finding points toward organisations within the Swedish banking sector viewing aspects of IC disclosure as potentially legitimising in the future. In the continual absence of IC disclosure being viewed as legitimising, value from the work, measurement and/or disclosure of IC will be necessary for such endeavours to continue, with reference to both legitimacy theory and RBV.

With reference to trends regarding external reporting, the similarities between IC reports and sustainability reports is worth considering when voluntary IC disclosure is being practised by organisations within the Swedish banking sector (Olivera et al., 2005). Although public knowledge of IC is seemingly low, and other kinds of reports than dedicated IC reports are vastly more popular (Dumay, 2016), the validity of the assumptions of IC are not necessarily affected to the extent that it provides no use for organisations. As such, if more intangibles included in the IC framework are included in sustainability reports or annual reports – most notably relational- and human capital, as has been demonstrated by the empirical results of this paper – IC would supposedly become even more relevant as these voluntary disclosures become more legitimising. This also correlates with the findings by (Guthrie et al., 2006) Without attempting to predict the unfolding of future events or shape of future trends, this paper concludes that the empirical results from the respondents' comments demonstrate that at least a portion of organisations within the Swedish banking sector are choosing to disclose work with intangibles included in the IC framework in the hopes that such actions become more legitimising in the future.

5.6 Summary

By means of applying both RBV and legitimacy theory to the empirical findings of this study, it would seem that the most striking findings are seemingly related to each other. Broadly speaking, this study argues that there is a clear sense of value stemming from work with intangibles included in the IC framework by organisations within the Swedish banking sector. The perceived value is seemingly broader than merely accounting for monetary value, and this includes the disclosure of such work for the purpose of it becoming recognised as a legitimising action, even though evidence points toward it not being so to any great extent at the present moment.

The goal of expanding the knowledge of IC research and IC as a concept is suggested to be far away from being realised, as IC was previously unknown to most respondents. This correlates with findings by Bontis (2003), Vandemaele et al. (2005), Beattie & Smith (2012), among others. It is not suggested that this be due to its proclaimed focus on value as a result of work with IC, as all respondents attached some form of value to work with human-, structural- and relational capital.

The measurements of IC mentioned by respondents are seemingly uncomplicated and there seems to be a complete absence of usage, even knowledge, of more complicated forms of quantifying intangibles included in the IC framework. Most of the measurement of IC are seemingly not reported externally and this is suggested to primarily be due to fear that these intangible assets, with reference to RBV, will lose value as the imitability of the resource is affected. This is also deemed to be a fundamental reason for the findings of other studies arguing that IC disclosure is not increasing by significant amount. However, examples of both human- and structural capital being used for differentiation suggests that IC's benefits regarding organisations are not necessarily merely limited to internal reporting.

6. Conclusion

This chapter responds to this study's level of success in answering its aim and research question by means of discussing its strengths and weaknesses. Limitations and implications of the study are discussed and the chapter is concluded with suggestions for future studies.

6.1 Aim and research question

The purpose of this study was to explore how IC is measured by organisations and the underlying reasons for doing so. The research question which would aid the success of this aim was to analyse the measurement practices regarding IC within the Swedish banking sector. Through the adaption of a qualitative research method, the conducting of interviews with respondents belonging to organisations within this sector, and whose roles are relevant to the various components of IC, was implemented in the attempt to explore the methods for measuring IC and the uncovering of motivations behind and perceived value from doing such work. All organisations had some practical examples of IC measurement and all respondents made clear that there is palpable value stemming from such work. The nature of said value varied and examples were given of a multitude of different types of value, indicating that the Swedish banking sector recognises value as being broader in concept than merely monetary. Through the conducting of interviews, findings contrasting with previous studies were revealed. Also, previously undocumented findings regarding the role threats to imitability plays when choosing to disclose IC in the Swedish banking sector was discovered. The author of this study stresses the importance of this finding in terms of the goal of this study being to explore the Swedish banking sector in terms of its handling of intangibles included in the IC framework.

6.2 Limitations

The method chosen is deemed to have been the most appropriate in order to answer the research question of the study. There were notable difficulties, however, in getting in touch with individuals deemed suitable for the study in terms of subject matter. This was mainly due to the self-imposed task of including at least one out of the four largest banks within the Swedish banking sector in terms of market share, and the busy schedules of relevant individuals within said organisations. A possible weakness of the study is the rather limited sample size. In the end, three banks – the self-imposed minimum requirement regarding numbers of banks to be included – were included in the study.

Although measures were taken to include as many individuals as possible with relevant experience and knowledge regarding their respective organisation's work with the various components of IC, only two individuals were tasked with answering questions regarding structural- and relational capital. There is undoubtedly more information of interest to both organisations and to IC as a whole to be identified within this area than what this study managed to capture.

The fact that two of the banks included in this study were from among the four biggest banks within the Swedish banking sector is deemed a clear strength regarding the validity of the study in terms of its relevance. The inclusion of one additional bank which differed from the other two in terms of market share and ownership is also considered a strength of this study as it better represents the makeup of the Swedish banking sector as a whole. It also proved to be a fruitful participant in the study, considering that their particular circumstances yielded interesting results.

In terms of the interviews themselves, only two were conducted face-to-face, with the rest being conducted via telephone. Although the interviews over telephone proved rewarding, the author of this study's inexperience with the conducting of interviews led to some experienced difficulty in establishing a casual tone in which the point being emphasised by the respondent could be effectively discussed. Also, certain distortion due to communication errors made for some lost potential in terms of exploring certain subjects which, at the time of transcription, were deemed to most likely have been of interest to the study as a whole.

The possibility of information of value to the study being lost or misunderstood during transcription needs to be taken into account. Although substantial time and care went in towards countering this affecting the sincere answers by the respondents, the author's limited experience with transcription and translation may very well have affected certain quotes and led to certain misunderstandings. During the interviews, in the case of the author of this study facing difficulty in understanding a point being made, the author would ask the respondent to clarify their point so as to help the author comprehend what was being said. This proved effective and led to respondents at times giving even more detailed and interesting answers and expressing their personal reflections regarding IC. However, this does not negate the previously mentioned possibility of misunderstanding possibly taking place and affecting the outcome of the study.

6.3 Implications and future research

The primary findings of this study have theoretical implications regarding RBV, legitimacy theory and IC. As the aim of the study was to explore how IC is measured and valued within a sector deemed intrinsically rich in IC, the findings are of relevance and offer a better understanding of the regarding the field of IC and related concepts.

The author of this study stresses the importance of the finding that fear of negative implications regarding a resources' imitability as a result from voluntary disclosure of intangibles included in the IC framework. This leads to theoretical implications regarding the relation between IC and RBV, which are as a result suggested to be even more tightly related than perhaps previously suggested. Also, this bares with it implications regarding the relationship between IC and legitimacy – as potential benefit from voluntary disclosure of IC seems to be measured against the potential damage as a result of competitors being able to acquire knowledge of their involvement with IC.

Related to these implications is the finding that organisations themselves perceive the disclosure of their involvement in intangibles included in the IC framework to in several cases be beneficial – to the point of it being used as a form of differentiation. This also bares with it implications regarding the validity of the fundamental claims in IC research regarding the importance of intangibles.

In terms of future research, the findings of this study suggests that much substance regarding IC exists within the banking sector. This indicates that, in the event that more organisations from the banking sector are included in IC research, interesting findings are likely to be uncovered which could be of great importance to the wider understanding of IC. For example, an inquiry into the differences between banks in different parts of the world, or the relationship between corporate culture and measurement of IC, would likely be worthy of more future study.

A related direction of inquiry and future study would be the close study of other industries. This ought to reveal if the findings of this study are found in other industries as well and thus be used as the basis for comparative studies between a number of industries. The field of IC ought not to be limited by the number of suitable industries for such studies. Indeed, the inevitable differences in different industries' involvement with IC ought to be explored more vividly.

Furthermore, the field of IC could draw benefit from its close relationship and similarity with RBV by more comparative studies regarding the fundamental assumptions, and their implications, of both theories. This ought also to be able to serve as the foundational theoretical background for future case studies, were organisations' views of the respective assumptions of IC and RBV are explored and presented.

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Appendix 1 Interview guide in Swedish

1.1 Human Capital:

1. **Har er verksamhet någon erfarenhet med att arbeta med intellektuellt kapital?**
2. **Hur mäter och redovisar er verksamhet intellektuellt kapital?**
    - När började ni göra det?
3. **Finns det interna riktlinjer gällande en definition för humant kapital?**
4. **Arbetar er verksamhet med humant kapital (verksamhetens individer)?**
    - Varför arbetar ni med kompetens, kunskap och erfarenhet?
    - Finns det utbildningsprogram inom verksamheten?
5. **Hur mäter ni humant kapital?**
6. **Hur redovisar ni humant kapital?**
7. **Redovisas arbete internt?**
8. **Vem fattar beslut om att rapportera humant kapital?**
9. **Hur skiljer sig er verksamhet från era konkurrenter?**

1.2 Structural Capital

1. **Har er verksamhet någon erfarenhet med att arbeta med intellektuellt kapital?**
2. **Hur mäter och redovisar er verksamhet intellektuellt kapital?**
    - När började ni göra det?
3. **Finns det interna riktlinjer gällande en definition för strukturellt kapital?**
4. **Arbetar er verksamhet med strukturellt kapital (verksamhetens infrastruktur)?**
    - Har ni metoder/rutiner/system för internkontroll?
        i. Rekryteringsprocess?
        ii. Arbetsprocesser och dokumentation?
        iii. IT-system?
    - Arbetar ni med patent och varumärke?
5. **Hur mäter ni strukturellt kapital?**
6. **Hur redovisar ni strukturellt kapital?**
7. **Vem fattar beslut om att rapportera strukturellt kapital?**
8. **Hur skiljer sig er verksamhet från era konkurrenter?**

1.3 Relational Capital

1 **Har er verksamhet någon erfarenhet med att arbeta med intellektuellt kapital?**

2. **Hur mäter och redovisar er verksamhet intellektuellt kapital?**
    - När började ni göra det?

3. **Hur skulle ni definiera relationellt kapital?**
4. **Finns det interna riktlinjer gällande en definition för relationellt kapital?**
5. **Arbetar er verksamhet med relationellt kapital (verksamhetens relationer)?**
    - Varför arbetar er verksamhet med kundrelationer, rykte och varumärke?
    - Kundlojalitet? Kundnöjdhet? Mäts detta? Varför?
    - Försöker ni nå specifika typer av kunder? Privatpersoner? Företag? Varför?
    - Varför arbetar er verksamhet med leverantörer och med intressenter?
6. **Hur mäter ni relationellt kapital (arbetet med verksamhetens relationer)?**
7. **Hur redovisar ni relationellt kapital (arbetet med verksamhetens relationer)?**
8. **Vem fattar beslut om att rapportera relationellt kapital?**
9. **Hur skiljer sig er verksamhet från era konkurrenter?**

Appendix 2 Interview guide in English

1.1 Human Capital:

1. **Does your organisation have any experience with working with intellectual capital?**
2. **How do your organisation measure and disclose intellectual capital?**
    - When did you start measuring/disclose?
3. **Is there an internal definition of intellectual capital?**
4. **Does your organisation work with human capital?**
    - Why does your organisation work with competence, knowledge and experience?
    - Are there educational programmes within the organisation?
5. **How does your organisation measure human capital?**
6. **How does your organisation disclose human capital?**
7. **Does your organisation disclose the work with human capital internally?**
8. **Who makes the decision to disclose human capital?**
9. **How does your organisation differ from its competitors?**

1.3 Structural Capital

1. **Does your organisation have any experience with working with intellectual capital?**
2. **How does your organisation measure and disclose intellectual capital?**
    - When did you start measuring/disclosing?
3. **Is there an internal definition of intellectual capital?**
4. **Does your organisation work with structural capital?**
    - Does your organisation have methods/routines/systems?
        i. Methods/routines/systems for the recruitment process?
        ii. Methods/routines/systems for documentation and work processes?
        iii. IT systems?
    - Does your organisation work with its brand?
5. **How does your organisation measure structural capital?**
6. **How does your organisation disclose structural capital?**
7. **Does your organisation disclose the work with structural capital internally?**
8. **Who makes the decision to disclose structural capital?**
9. **How does your organisation differ from its competitors?**

9.3 Relational Capital

1. **Does your organisation have any experience with working with intellectual capital?**
2. **How does your organisation measure and disclose intellectual capital?**

- When did you start measuring/disclosing?

3. **Is there an internal definition of intellectual capital?**
4. **Does your organisation work with relational capital?**
    - Why does your organisation work with customer relations and branding?
    - Is customer satisfaction measured?
    - Are there targets groups regarding customers?
    - Why does your organisation work with networking?
5. **How does your organisation measure relational capital?**
6. **How does your organisation disclose relational capital?**
7. **Does your organisation disclose the work with relational capital internally?**
8. **Who makes the decision to disclose relational capital?**
9. **How does your organisation differ from its competitors?**

Appendix 3 Personal reflections

Having previously explored the concept of IC and focused on it in a study in a previous course, I was confident that I wanted to further explore it and incorporate it into my thesis if possible. I enjoy abstract concepts; accepting limitations and whatever assumptions are present within a certain concept and applying them onto situations and concrete things. Often I find that you experience things differently and may reach other conclusions if you change the assumptions and/or framework you are incorporating.

The assumptions regarding IC – of the inherent value of intangibles – I found to be very interesting. Intangibles are bountiful within most organisations, and that intangibles could be valuable to an organisation and be used strategically – at least to some extent – I was intrigued by, conceptually. I was intrigued partially due to the inherent problem of IC; that it is difficult to measure the exact effect of many intangibles. Here, I saw the potential for an explorative study that would aim to clarify to what extent the assumptions of IC are mirrored by the actions – and motivations behind them – in organisations. I also chose to focus on a specific sector in order that the study would become more focused, and chose the banking sector for its previous prevalence within the realm of IC studies.

This seemed as the sort of study that would benefit from me interviewing individuals as the primary method. I had very little previous experience with interviewing, having only done so once in a previous course. As I was keenly aware of my lack of knowledge regarding this method, most of my first meeting with my supervisor was focused on resolving this potential issue. I was subsequently given the most important advice during my time writing my thesis: reach out to these organisations *now*. This proved to be pivotal to the study, as it would in some cases take more than a month from initial contact with the bank to an interview taking place. I also needed to convince some of the respondents to participate in the study whom at first were unsure as to whether they wanted or could participate. With added time being devoted towards transcribing and translating, had I waited before reaching out to the organisations I would most likely have had difficulties completing the study.

Before the writing process began, we were strongly urged not to write our thesis on our own, but to write in pairs. Having already formed a relatively strong idea of what I wanted my thesis to focus on, and knowing that I was probably the only one who had any idea of writing about IC, I decided, after carefully considering the alternative, that I would write the thesis on my own. I was not willing under any circumstances to give up on the idea of writing it in English, as I wanted my thesis to be able to be used as an example to any potential future employer of work produced by me. I knew, however, that this would require discipline on my part in making sure that I kept my deadlines and accomplished the tasks in our method course.

Early in the writing process, and before any of the interviews had yet taken place, I was urged to concretise and pen the purpose and research question, as well as form a structure for the rest of the study. This proved to be a great aid in setting and keeping deadlines, as I could focus on, and deliver, one portion of the study at a time and then make transitions between the different parts. The writing pace was substantially lowered in May, as I accepted a job opportunity and thus had less time to devote towards my thesis. Having known this would be the case, I had adapted rigorous deadlines to ensure that as much of the thesis as possible was completed before. By sticking to deadlines, to the extent that this was possible, the study was steadily expanded until all essential parts were included and then previously written sections were improved and expanded upon.

Producing a body of work of this size alone has at times proved challenging. Previous ideas of including a content analysis of annual reports or sustainability reports of the banks was eventually abandoned as my knowledge of the inherent issues of content analysis within the realm of IC was expanded. I was aware early on in the writing process that I needed to be flexible and adapt a pragmatic approach so as to not risk the study becoming unfinished due to a fundamental obstacle. Therefore, the content analysis was only ever meant to be included after the interviews were finished and results from them had been included in the study. The issue of time proved a substantial factor, and I eventually deemed it improbable to conclude a content analysis whilst simultaneously working as of May. After discussing this with my supervisor I came to the conclusion that, this being an explorative study more closely focused on the underlying motives of measuring IC, a content analysis was not necessary to the study. Ultimately, adapting a pragmatic approach allowed me to include all the essential components of my thesis which I feel has been an important learning experience.

This study is unlike any other body of work I have produced. The amount of time dedicated towards structuring, searching for information, writing, translating etc. has vastly exceeded my expectations. I have further developed my understanding of the banking sector and the types of measurement practices related to IC that are currently being implemented in organisations. My abilities regarding acquiring relevant pieces of information from studies has been vastly improved upon. I also feel that I have improved my analytical and structuring skills. Fundamentally, by completing my thesis and writing it myself, I feel I have gained a better understanding of my abilities as a whole and come to understand which ways of approaching larger tasks feel most appropriate to my way of thinking and acting. In the end, I am proud of the work I have produced and feel that I have grown from the experience. I am eternally grateful to my supervisor, Caroline, for all her valuable input and the advice she has given me during the course of completing my thesis. Undoubtedly, my thesis has benefitted greatly from her involvement.