



Linnæus University

Sweden

Bachelor Thesis

Lagom, the key to a sustainable business?

*The role of lagom within international business and its impact on environmental sustainability:
A qualitative study*



Author: Hugo Jansson, Linus Krebser

Supervisor: Heidi Coral Thornton

Examiner: Selcen Ozturkcan

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Linnæus University
Sweden



Abstract

With the rising importance of environmental sustainability, there is a growing need for solutions. Some research indicates that Sweden is performing well in environmental sustainability and the Swedish concept of lagom has been trending in recent years due to its usefulness in leadership. This thesis aims to determine if 'lagom' can be the key to a sustainable business by examining how the concept is implemented in Swedish companies and how it affects them. Based on the literature review, five semi-structured interviews were held with Swedish business professionals, where questions regarding sustainability, lagom, business culture, and leadership culture were covered. After an analysis of the empirical findings, a correlation between lagom and improved sustainability was found in various aspects. The implementation of trial-and-error was found to be a contributing factor that promotes sustainability. Further, the subconscious cultural influence was also a contributing factor to promote sustainability as the Swedish cultural values promote *Laget före jaget* (The team before the self), which is incorporated on a societal level. The results would indicate that 'lagom' could be a useful aspect to improve sustainability, and potentially of the keys (not the only one) for sustainable business. Although lagom as a concept could be implemented in non-Swedish companies, it is rooted as a Swedish cultural value and is likely not as effective if implemented somewhere where these values are not present. However, due to the nature of the research, this cannot be concretely verified and a need for a case study with several non-Swedish companies would be required to find the true usefulness of lagom.

Keywords

International Business, Business culture, Sustainability, Lagom, Leadership culture



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Linnæus University

Linus Krebsler



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1 Introduction

This chapter will provide an overall introduction to the thesis and what is being researched. Starting with a brief background of the situation at hand, the importance of sustainability, both as a whole and on a business level, is to be covered. Further, the term 'lagom' will be explained, followed by a problem discussion that shall be explained from a theoretical and practical perspective. The problem itself will then be defined based on a combination of the previously mentioned topics. The research gap follows, where the authors elaborate on previously researched areas in the field and where there is a gap. Next in line are the research questions, followed by the purpose and lastly, the delimitations where general limitations will be stated.

1.1 Background

Where is the world heading? Increased carbon emissions, rising temperatures, and biodiversity loss plague this fragile world. It has become clear that sustainability is becoming more necessary every day to secure the future, and with increasing awareness, businesses also need to adapt to stay afloat.

One country that is widely known for being one of the most sustainable countries in the world is Sweden. Whilst it does not score the highest on performance indexes, it is ranked as the second most sustainable country on the Sustainable Development Goals index, falling short of its neighbour Finland (Sachs et al., 2021). This index is based on progress concerning the 17 goals of Sustainable Development established by the United Nations (UN, 2015). These 17 goals have been agreed upon by the 193 member states in the United Nations and serve to “end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity” (UN, 2015). Out of these goals, goals 12 and 13 are the most important from an environmental aspect. These two involve responsible consumption and production, and climate action. They are defined as “Ensure sustainable consumption and production patterns” and “Take urgent action to combat climate change and its impacts” (UN, 2015).

The concept of 'lagom', roughly translated as “just enough”, is socially ingrained in Swedish culture and its very essence is present in many aspects of life. This mentality heavily influences how the Swedes make their decisions and it is also deeply present in business. Although the concept of lagom has been studied from leadership perspectives and individual consumer behaviour, there is a gap in how Swedish companies apply the lagom concept in their international business practices, and how it influences their sustainability within their Corporate Social Responsibility.

Sustainability and Corporate Social Responsibility (CSR) are topics that every company needs to be concerned with in the present day. Recent news suggests that the importance of CSR is taken seriously, and international institutions and unions are taking a stance on improving CSR. An article by Jones (2023) covers a proposition from the European Union where financial services companies are forced



to take action if their clients act in a way that would hurt the environment or go against human rights. On April 24th, 2023, this suggestion called *the Corporate Sustainability Due Diligence Directive* is planned to be voted on and if passed, would force financial companies to inspect the activities of their clients and take measures. This would in turn cut off funding for companies who act against the environment or human rights.

But how does a company become sustainable, or how is it measured? The Stockholm-based start-up company Worldfavor, which has just secured €10,2 million in funding for its platform last summer, deals with ESG data that it provides to businesses to measure their environmental and societal impact of corporate action (Allen, 2022). ‘ESG’ stands for “Environmental, Social, and Governance” (Delubac, 2023) and represents the three key components companies use to determine their environmental efficacy and sustainability. By measuring this kind of data, companies can establish a certain degree of transparency, trust and accountability in their environmental goals - in other words, their performance in terms of sustainability becomes more measurable with this kind of data.

Sustainability is of importance in most industries around the world, and an example where it is particularly important is the fashion industry, which has been under the radar for several years due to the harm it causes to the environment and the lack of Corporate Social Responsibility (meaning the responsibility a company takes to improve environmental and societal agendas) taken by the companies operating within it. According to Musova et al. (2021), “The fashion industry ranks among the most resource-intensive and environment-polluting industries”, which indicates that there is a need for improvement. However, from a Swedish perspective, there are several widely known brands known for their sustainable practices such as Fjällräven, Acne Studios and Nudie Jeans. Further, Sweden currently has an action plan in place with the goal of becoming a world leader within the fashion industry from a sustainability standpoint (Nejderås et al., 2019).

This topic as a whole will provide an understanding of why Sweden is so successful when it comes to sustainability, which in turn can be useful for companies wanting to improve on theirs. Further, this will build a case as to whether Swedish companies are more sustainable than others by design, or if it is a side effect of ‘lagom’ culture. These speculations are drawn partly from the RobecoSAM country sustainability ranking where it is ranked as the third most sustainable country from a business aspect (Robeco, 2022). A real-world example can also be drawn by the global company Atlas Copco, which operates in 180 different countries. Throughout their organisation, a code of conduct is in place to promote ethical decisions as it is used to train employees to recognise corruption and unethical behaviour (Atlas Copco, 2023).

1.2 Problem Discussion

What is already known is that lagom influences the behaviour and mentality of Swedish people, which in turn also makes it present on a business level. Research on lagom is partly prominent academically, and there is a noteworthy presence of



non-academic literature and various articles available online. As per definition, 'lagom' means "not too much, not too little - just right" (Allén et al., 2017, p. 663). The lagom mentality promotes resourcefulness in all aspects of life, and splurging or wasting is looked down upon (Robinowitz and Carr, 2001, p. 23). This mentality has led to a unique leadership style, which results in a distinct way of conducting business as it puts focus on a non-hierarchical structure that promotes consensus for decisions rather than executive power, according to Holmberg, professor at Stockholm School of Economics (The Local, 2017). Could it also prove that Swedish companies are more environmentally friendly than others because of their 'lagom' culture?

1.2.1 Theoretical Problem

A 2017 report by the Carbon Majors Database concluded that just 100 companies were responsible for 71% of global greenhouse gas emissions since 1988 (The Guardian, 2017). This would suggest that a relatively small number of fossil fuel producers and their investors play a crucial role in terms of combating climate change. While private households and individuals are prompted to do their utmost in reducing carbon emissions, e.g. through personal lifestyle changes (IPCC, 2018, p. 161), the largest share of the problem is not in the individual's hands, but rather caused by a few large companies.

Starting with the individual, however, lagom could provide a good starting point for more environmentally conscious practices. With its inherent principle of embracing "less is more" and discouraging excessive consumption, lagom could figure as a solid base when it comes to the right attitude in terms of limiting unnecessary waste, at least from an individual's perspective. Further, it also pushes on societal responsibility both individually and on a company level, which results in decisions being made to benefit society as a whole.

One thing is certain: lagom is deeply rooted in Swedish culture and therefore, the question remains to what extent it influences every individual's mentality and, consequently, shapes Swedish business culture as a whole. Whether it goes as far as affecting how decisions are made in companies in a Swedish business context, especially in regard to sustainability, remains to be seen. This paper aims to explore whether there is a detectable connection between one's individual 'lagom culture' and a company's approach to sustainability, as the human factor is a significant part of a company's success. Cameron and Quinn (2006, pp. 4-5) support this statement by emphasising how every successful, leading company has developed a distinct corporate culture. This also influences the direction a company is taking in terms of strategy, and, in this case, also sustainability. At the same time, there is a need for more environmentally friendly business practices, as mentioned above.

At present, it is challenging to directly correlate this unique cultural concept and the sustainability success achieved by Sweden, as well as to demonstrate its direct implementation within Swedish companies, or even its connection to business sustainability. Exploring the relationship between these two variables could offer insights that may lead to more sustainable business practices in the future.



1.2.2 Practical Problem

When looking at the 2016 carbon emissions by country per capita, of which the average is 4.79 tons per person, four of the top 6 largest countries in terms of surface area (Worldometer, n.d.) appear high up on the list: The United States, Canada, Australia and Russia. Sweden, although an industrialised country, falls below average with 4.54 tons per capita (Worldometer, 2017). Swedish companies have had a good reputation in terms of sustainability as four of them have ranked in the top 100 most sustainable businesses in 2017, according to the “Global 100”, a ranking of the magazine and research firm Corporate Knights (Roden, 2017). In the same ranking of 2023, there are three Swedish companies to be found (Corporate Knights, 2023), which is still a decent result in comparison to other countries of similar size.

As Corporate Social Responsibility and a sustainable mindset are becoming more crucial in today’s business world, companies have to choose the right strategy in that regard. Even though many managers hesitate to choose sustainability over profits and argue that, in doing so, they would forego the opportunity for competitive advantage, Nidumolu et al. (2009) argue that this is not necessarily the case. Naming several examples of corporations that successfully combined sustainability and profits, such as GE in their strategy turnaround of 2005, it has been proven that there is no underlying goal conflict between the two strategies. The authors of the article go even further and call sustainability a critical key driver of innovation nowadays, which will lead to better long-term success.

Lagom, as it is described above, has many parallels with what these companies are going through, or at least the achievement of efficiency through reduction. Since companies are run by people and organisational change is linked to individual change (Cameron and Quinn, 2006, p. 7), having this mindset on an individual level would be the easiest starting point. Managers with the goal of turning their company more sustainable could benefit from a lagom culture, but to achieve that, the connection between this cultural concept and the companies’ decisions in practice has to be measured and quantified.

1.3 Problem Definition

This thesis aims to fill the research gap present in sustainability in regard to lagom. Research on lagom is limited within this field even though some hints would indicate a correlation between lagom and better sustainability. The tie between Swedish companies’ sustainable practices and lagom is currently not present and thus, it is unclear if Swedish companies are more sustainable than others by design, or if it is a side effect of lagom. Further, there is a lack of understanding of how Swedish companies apply their ‘lagom’ philosophy internationally. Simply defined, the problem can be defined as the lack of understanding of how ‘lagom’ affects companies’ environmental sustainability, and how companies utilise ‘lagom’ in their international operations. This thesis aims to solve these problems.



1.4 Research Gap

There is sufficient research done about the concept of lagom as a whole, such as how it plays a role in Swedish universities trying to reach an international crowd, where it is found to be an ineffective system compared to a more “structured” approach (Rocklin, 2017). In a paper by Vargas Villamizar & Marti Noguera (2015) titled “lagom är bäst”, they thematise the interrelation between Swedish national culture and corporate social responsibility, however on a more superficial level and without primary data. Further research is done on how individual companies apply their lagom principles, such as the case with a study covering IKEA’s “Live lagom” project, which focuses more on individual decisions made by consumers, going in line with sustainable living and the lagom concept (Elf, 2019). Research on lagom can also be found within leadership theory where it has been proven to be an effective leadership mentality as it promotes a horizontal organisational structure and also proves the uniqueness of the Swedish leadership style (Williams and Devine, 2005). Limited research on a country basis has also been done on the applicability of lagom from a marketing aspect where it showed potential in Bulgaria (Krasteva, 2018). However, there is a clear lack of research on lagom from a business manner, the research that has previously been done is for the most part limited to the leadership and marketing aspects of lagom. There is a need for further research within the field of business in regards to lagom both from an international business aspect, but especially in a topic such as sustainability. The research seeks to reduce the research gap on lagom in the business field by researching its implementation in international business and the impact it has on environmental sustainability for companies.

1.5 Research Questions

1. How do Swedish companies apply the ‘lagom’ philosophy in their international business practices?
2. How does lagom affect companies’ environmental sustainability?

1.6 Purpose

By examining the concept of lagom and its influence on the microeconomic aspect of international business, this thesis aims to fulfil the purpose of linking lagom with the success of Swedish companies and/or multinational companies operating in Sweden within the environmental aspect of sustainability. Further, it also aims to find how these companies apply their lagom philosophy and how it impacts the organisation. The reason for this research can be narrowed down to the objective of finding evidence to support the link between the lagom culture and the effectiveness of improving environmental sustainability for companies. By gathering qualitative data through interviews with business professionals and analysing the information given, the thesis aims to reach its objectives with the hope that it can be of use to business leaders around the world. A theoretical contribution within this field could lead to an improvement in sustainability for companies on a global level.



1.7 Delimitations

For this research to be optimally accurate, qualitative research will be gathered from business professionals representing medium/large companies, as smaller companies might dilute the findings with specific examples that are only applicable on a smaller scale. The research will briefly cover Swedish business culture as a whole and its performance from a sustainability standpoint. It will only go into greater detail about the lagom concept and its presence in Swedish business and its influence on sustainability. The research will only cover the environmental aspect of sustainability and exclude the social and economic aspects. With these directives in place, it prevents the research from being too broad, which in turn could lead to the findings being less useful, as the goal is to find a way to improve sustainability on a company level.



2 Literature Review

This chapter will cover the theoretical perspective on the topic, starting by covering international business where theories such as the different dimensions of international markets will be mentioned. This will then be connected to Swedish business culture which shall include some general examples from a real-life setting. Theories of leadership culture shall also be covered, such as the culture model, succeeded by the topic of sustainability within businesses. Following this, a thorough analysis of lagom, where the history, uniqueness, use in academia and alternative interpretations are to be covered. The chapter will end with the conceptual framework, which will tie the different theories together and provide a clear picture.

2.1 International Business

The underlying foundations of this thesis are built upon international business, and understanding what it implies is a necessity. International business can briefly be summarised as any activity a company is part-taking of that influences or involves trade across national borders, this includes physical goods, virtual goods, funds, services and knowledge. Although trade over national borders has existed for thousands of years it is easier than ever before for companies to reach an international crowd due to the development in technology and transportation (Cavusgil et al., 2015).

Within international business, several different dimensions influence the success of a company conducting business on the international market (Saukkonen and Kirjavainen, 2019). Firstly, cultural dimensions: This dimension contains how the cultural differences between countries influence trade between them. Most countries have a distinct set of customs and views, this could include aspects such as the view of haggling. All these customs and views play a role when trading over national borders and result in variable levels of success and ease of trade depending on how compatible the different cultural customs are. To understand cultural compatibility, six suggested cultural aspects are used. Power Distance, Individualism, Masculinity, Uncertainty Avoidance, Long Term Orientation, and Indulgence. The first aspect shows how hierarchical the society is, meaning the importance of positions of power. Individualism shows how much individual responsibility is put on the people. Masculinity indicates how competitive a society is. Uncertainty Avoidance displays how uncertainty is handled and involves the degree of planning made for the future. Long Term orientation shows the willingness for change within society. Lastly, Indulgence shows how much people are “enjoying life” and fulfilling their personal needs (Hofstede et al., 2010).

The second dimension of international business is the economic dimension and includes any aspect that influences the economic side of conducting business across borders. Examples of this could be taxes, tariffs or fiscal policies. These aspects affect the willingness of companies to conduct business with countries since it can be unfavourable to pay high taxes or tariffs when there are other cheaper options available, thus some countries are more suited for the international market. Another



factor that influences international trade is exchange rates as there is a correlation between international competitiveness and exchange rates. A company that bases its operations within a country with a weak currency can have a competitive advantage on the international market when it comes to selling products as their products can be cheaper in comparison to others, thus gaining a competitive edge. The opposite can be said if an import is made (Auboin and Ruta, 2013).

The third dimension is the political one, which involves the political environment in a country and how it affects international business. Examples of how the political dimension can influence trade are trade agreements, trade restrictions, and trade embargos. It is within the political dimension that trade unions such as NAFTA operate and helps to ease trade between the member countries (Bengtson et al., 2009). Countries often utilise trade agreements to get favourable arrangements for trade between each other, and this is often established with important trading partners or neighbouring countries. Countries may also enforce trade restrictions on certain merchandise, which could make it impossible for companies to, for example, export their products. In politically unstable periods trade embargos can be enforced which can vary in level from restricting trade with a country to completely eliminating all trade with it (UoM, 2011).

Lastly, the legal dimension: This includes any legal aspects of international trade. It could be for things such as differences in copyright laws and the legality of certain items. This dimension requires the companies to create an understanding of the legal system present in the country they are trading with to avoid conflicts and lawsuits (Shackelford et al., 2021). Depending on the legal system present in a country it can be more or less attractive as many companies exploit loose legal systems for their benefit when trading. In nations with a loose legal system, the opportunity to take shortcuts and increase profit margins is large, however, there is little legal protection if a dispute with the trading partner was to arise. Therefore, tight legal systems are also important for international business as they can grant security to both parties in case of disputes (O'Flaherty, 2020).

2.2 Swedish Business Culture

In 2022, Sweden ranked as the 4th most competitive economy in the World Competitiveness Ranking (IMD, 2022). This could be a good indicator to understand how Swedish business culture works, as the country itself tells a story of the businesses operating in them. With a small population, yet abundant resources, many Swedish businesses have been dependent on exports to grow. This has not only created a willingness to maintain good relations with businesses outside of Sweden but has also triggered the need for innovation to maintain their positions abroad. Sweden is continuously ranked as an innovation leader since many Swedish businesses are, or have been at the forefront of innovation worldwide. Further, there is anti-discrimination legislation in place which ensures equality in the workplace by promoting it by law. In short, this legislation makes discrimination illegal for employers and companies. It is also common for Swedish businesses to promote sustainability within their organisations (Swedish Institute, 2021).



Although every company is different, generalisations can be made that are based on similarities that have been observed. One can expect that Swedish business culture values each individual's choices and decisions and has the opportunity to be heard. Workplaces generally encourage innovation and thus, many workplaces are flexible. The hierarchical structure in most Swedish companies is flat, therefore, the power distance between employee and manager is small, and it is not uncommon to address the higher-ups on a first-name basis. Further, with its high tolerance for differences, dress codes are often rather loose or not enforced (Gilbert et al., 2018). Due to the importance of work-life balance, overtime is seldom seen in Swedish companies and is only used when absolutely necessary (Novela, 2017).

Utilising Hofstede's six cultural dimensions (Hofstede et al., 2010) there are clear parallels that can be drawn between the generalisations and the results generated. An example can be the low score in power distance (31) and the flat hierarchy structure seen in many Swedish companies. Further, the low score in uncertainty avoidance (29) indicates a correlation between flexibility and tolerance for differences and the acceptance of innovation. The high score in indulgence (78) also shows a correlation with the work-life balance as it includes the willingness to enjoy life (Hofstede Insights, 2023).

2.3 Leadership Culture

Leadership culture is a subcategory of corporate culture and contains traits from the various corporate culture styles. It involves everything from how a leader within a company acts towards employees, how he/she takes decisions, how ideas are initiated, how the company is structured and the importance of roles. The culture model published by Cameron and Quinn (2006) identifies four distinct corporate cultures which consist of Clan Culture, Adhocracy Culture, Market Culture, and Hierarchy Culture. Firstly, Clan Culture puts focus on forming a "clan" within the organisation where the leaders put focus on supporting and caring for their employees, seek consensus in decision makings, and are generally very flexible. Here, positions are less important and every employee has a voice. Further, Adhocracy Culture shares some traits with Clan Culture when it comes to flexibility but focuses more on individual performances from employees, the role of management is loose and mainly acts to encourage employees, and no strict responsibilities are set. To continue, Market Culture requires strictness from leadership in order to function, focusing mostly on performing as well as possible regardless of the internal work environment. Usually a very competitive work environment, leadership mostly focuses on how employees are performing, and not how they are feeling. To conclude, Hierarchy Culture is a structured culture where positions are of importance. There are many levels of leadership with the purpose of achieving success in consistency and directives from higher-ups.

From a glance, Clan Culture seems to fall in line with the Swedish leadership style and to an extent, it does. However, Swedish leadership contains key differences which make it a unique style. The focus of lagom is to find balance and this can be seen within Swedish leadership as the balance between work and life is of importance in most companies. Thus, many leaders try to find solutions which best



suit their employees to perform whilst not sacrificing their life outside of work. An example of how Swedish companies try to find a lagom work/life balance is mentioned by Novela (2017) who explains that some companies had reduced a standard work day from 8 hours to 6 hours, which led to more motivated employees and increased efficiency. What truly makes it unique, however, is a contradiction, individual strength and collaboration are valued equally. Leadership promotes individualism on a collaborative level where, for example, each individual has the right to believe and decide what they want, usually a full consensus needs to be found to implement anything. If someone does not approve, they have the power to call for a recess and bring up their idea and what can be improved. This “fear of conflict” encourages creative thinking and success through trial and error. Put simply, if an individual has a belief something will work, he/she should be allowed to test it (Holmberg, 2017).

Although the Swedish leadership style is unique, it is not without flaws. As stated previously, Swedish leadership generally operates with a flat hierarchical structure which aligns with Hofstede's cultural dimensions ascribed to the country. Another important aspect of the cultural dimensions in regard to Swedish leadership is masculinity, or, more accurately, the lack of it (Hofstede Insights, 2023).

“A high score (Masculine) on this dimension indicates that the society will be driven by competition, achievement and success, with success being defined by the winner / best in field - a value system that starts in school and continues throughout organisational life. A low score (Feminine) on the dimension means that the dominant values in society are caring for others and quality of life. A Feminine society is one where quality of life is the sign of success and standing out from the crowd is not admirable. The fundamental issue here is what motivates people, wanting to be the best (Masculine) or liking what you do (Feminine)” (Hofstede Insights, 2023).

This dimension is a leading factor in the “everyone should have an opinion” ideology that is practised by Swedish companies. As a whole, this ideology can be beneficial but on a business level, it could be damaging in some situations. An example is the way it could lead to indecisiveness, when decisions need to be made fast to either catch an opportunity or save a current project, companies who practise an inclusion policy could fail to do so, thus missing the opportunity (Hofstede Insights, 2023).

2.4 Sustainability in Business

Sustainable practices can be defined as any practice that encourages a less damaging way of conducting something. There are generally three established pillars of sustainability, which are social, environmental, and economic (Purvis et al., 2018). A sustainable practice can include anything that improves on previously established practices in any of these fields (Ukko et al., 2018). This is true both from an individual standpoint as well as a business standpoint and can consist of simple things on an individual level such as taking the bus to work instead of driving



yourself, or from a business side, promoting carpooling to the employees to reduce the number of cars. A sustainable company, however, also needs to factor in the profit aspect and thus, a successful sustainable company is a company that manages to positively make an impact on the three pillars of sustainability whilst at the same time turning a profit.

Although both the economic and social pillars are equally important this thesis focuses on the environmental pillar, thus a further definition will follow. Sustainability as a whole is defined as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (Brundtland, 1987). This definition can be utilised to understand not only what is needed, but why it is needed. It is for the future of humankind and the environmental aspect is ultimately what will determine it. Thus, this definition could also be applied to the environmental aspect of sustainability alone, put simply, any practice which allows a company to meet their needs whilst not damaging the environment. A common yet exploiting example can be drawn from the heavily polluting airline industry where most airlines offer a carbon-neutral ticket. This carbon offset can be purchased by consumers and the additional revenue is then spent by the airline to compensate for the ticket of the consumer, by, for instance, planting trees. This specific example relies on the willingness of consumers to pay extra to be carbon neutral and can thus be seen as exploitation by the airlines as they do not sacrifice their revenue to contribute environmentally (Berger et al., 2022).

When it comes to sustainability there are several different business models that companies can utilise to improve. Traditionally, a business model was a strategy a company used to add value, but due to world development, this was no longer enough for the consumers. Sustainability awareness arose and mattered in purchasing decisions, therefore adaptations needed to be done. One such adaptation is the lean business model, which focuses on cutting any possible expenditure. This can include energy consumption or unnecessary production steps (Comin et al., 2019).

To expand, with the importance of acting green increasing, many companies fail to change their behaviour and fall into the trap of greenwashing, meaning “The creation or propagation of an unfounded or misleading environmentalist image” (OED, 2023). A company's motives for utilising greenwashing can be linked to several aspects and there are 13 sins within greenwashing. These are hidden trade-off, no proof, vagueness, false labels, irrelevance, lesser of two evils, fibbing, false hopes, fearmongering, broken promises, injustice, hazardous consequences, and profits over people. Starting with the hidden trade-off, it involves promoting specific aspects of a product whilst not mentioning the downsides. No proof revolves around claiming environmental facts about products where it is difficult to bring proof of it. Vagueness consists of not clearly stating what is sustainable about a product and using broad language to confuse consumers. False labels include using imagery or quotes suggesting that the product is sustainable. The sin of irrelevance is when companies use true claims about a product but are irrelevant when it comes to sustainability, an example could be “unleaded gas” where the fact that it is unleaded is true, but it is also backed by law thus making it irrelevant. The



sin of the lesser of two evils is when a company specifies a true claim on a specific level but not mentioning the overall impact the product has. Fibbing is the sin of lying, false claims used to convey a green image. The sin of false hopes is committed when a company tries to encourage hope for improvements by making false claims thus tricking consumers into thinking the industry will improve. Fear Mongering is committed by trying to convince the public how horrible it would be without their products, for example by making greatly exaggerated claims. Broken promises are made when companies make promises that they do not fulfil such as claiming to improve living conditions for workers. The sin of injustice focuses on companies segmenting a specific improvement to people's lives and not including all the harm done. Hazardous consequences are when a company purposefully hides information and distracts consumers from the horrors the company commits. Lastly, profit over people is when a company focuses solely on profits and does not care for the people or the environment that they damage (Netto et al., 2020).

2.5 Lagom

2.5.1 Historical Background of the Term

The origins of the term 'lagom' are disputed - or, at least there are different interpretations circulating about the etymology of the word. The two most popular ones take diverging approaches to the stem of the word in the Swedish language, which is *lag*. So, both theories divide the word into *lag* and *om*. The word *lag* has several meanings, one of which means "team". In that case, *lag* is a neuter gender word (in Swedish *neutrum; ett lag*). Another meaning, represented in the second theory of the origins of lagom, means "law". This would then be a common gender word (in Swedish *utrum; en lag*).

According to Barinaga (1999, p. 7), the origins are found in Viking times, when a bottle of mead was passed around with the request to not take too much so that everyone can have their sip. The way that term is said to be used is from *laget om*, which means "around the team". However, this theory appears to be a myth and is etymologically incorrect (Karlsson, 2015). Also, Mikael Parkvall, the author of the book *Lagom finns bara i Sverige - och andra myter om språk* (Blennow, 2018, cited in Parkvall, 2021) takes up this myth about the Vikings passing mead around the table and explains that the word lagom first was documented in the 1600s. The real origin comes from the word "law" (in Swedish *lagen*, meaning "the law") and signifies that something is done according to the law. Linnea Dunne, who wrote the book *Lagom: The Swedish Art of Balanced Living* (Dunne, 2017, pp. 9-10), mentioned the false myth about the Vikings and confirms that lagom in fact was pointing to a common sense of law followed.

2.5.2 Swedish Dictionary Definitions

According to the Swedish dictionary, lagom has two definitions, one as an adverb and the other as an adjective (Allén et al., 2017, p. 663). The first definition is as follows: "to an appropriate extent (not too much or too little); also: in a timely manner (lagom in time for the anniversary); even in gentler reprimands to refrain from something (lagom as in "brag in moderation!"); or: "That was just what you



deserved!" (lagom level of punishment)" (Allén et al., 2017, p. 663). The second definition (adjective, no inflexion): 'to an appropriate extent: the shirt fits him just right (lagom for him); even as a noun: "lagom is best".' (Allén et al., 2017, p. 663).

2.5.3 Is Lagom Unique to the Swedish Language?

The term lagom has become synonymous with Sweden as a country and culture today (Blennow, 2018), but whether this makes it Sweden's invention is questionable. The French philosopher Montesquieu described the influence of the climate on a people's conditions of living in his work in 1748, highlighting the importance of a perfect climate that is neither too cold nor too warm as a desirable place to live in. According to him, France, his own home country, would be the optimal place, as it was neither dangerously warm nor painfully cold - in other words, lagom. Also in Roman and Greek poetry, the concept of lagom is described (Blennow, 2018), and given the simple nature of the term, it is hardly something one could claim to have invented or take ownership of. After all, there are tons of other languages with an equivalent term to 'lagom', such as *sopivasti* (Finnish for "suitable, opportune"; wordsense.eu, n.d.), *passelig* (Norwegian for "moderately, fairly"; Cambridge Dictionary, 2023a), to only name a few that also carry some kind of connotation for "just right". Apart from similar translations to "just enough", there are other words or principles in different languages that show similarities to the broad concept of lagom. One of the most prominent examples is *hygge* (Danish for "feeling warm, comfortable, and safe"; Cambridge Dictionary, 2023b). *Hygge* entails a feeling of contentment and cosiness that comes from simple pleasures, such as spending time with loved ones or enjoying a warm cup of tea (Broyles 2017). Even though not exactly the same as lagom, there are many parallels between the two concepts, emphasising the happiness that is found in the small things in life. Another term worth mentioning is *wabi-sabi* (Japanese for "a way of living that focuses on finding beauty within the imperfections of life and accepting peacefully the natural cycle of growth and decay"; Collins Dictionary, 2012), which is an aesthetic concept that values imperfection, simplicity, and the natural world. What this term has in common with lagom is that it encourages a balanced and harmonious approach to life rather than striving for perfection (Kyoto Ryokan Sakura, 2019).

To conclude, 'lagom' as a meaning or translation is not unique to the Swedish language as such, as there are terms in other languages that mean the same or something comparable. However, the concept of lagom, and the extent to which it manifests itself in Swedish culture, in every aspect of life, is definitely unique and unprecedented.

2.5.4 Lagom from an Academic Perspective

Barinaga (1999) describes how words can reveal something about a culture, and how some of them are untranslatable to other languages. Lagom is one of the words that shape, or better, describe Swedish culture very well (Barinaga, 1999, p. 9). The word lagom is used as a synonym for "just the right amount" and often, when literally cited, connected to Sweden. Leese et al. (2016) do so in their paper titled *Biological optimization, the Goldilocks principle, and how much is lagom in the*



preimplantation embryo, where lagom and Sweden are used together multiple times. In Elf et al.'s (2020) research article about businesses' sustainable development by promoting pro-environmental behaviour change, a project of IKEA (called 'Live Lagom'), carried out in the United Kingdom, was examined. Here, the use of the term lagom is directly used as a marketing instrument, suggesting that a 'lagom' way of life would lead to a higher degree of sustainability. The connection between lagom and Sweden is again given in this case, as the project initiator, IKEA, is a Swedish company. Lagom is not just a verb, adjective and noun, but also a fundamental concept of civil harmony in Sweden, as Creo (2014, p. 1) emphasises in his paper *Being in Sweden: Lagom - Meeting in the middle*. His first encounter with lagom was also in connection with a Swedish person, a lawyer at a conference in Europe that introduced him to this term or concept. That being said, while "meeting in the middle" is not a new invention and can be practised anywhere, Swedish culture is particularly shaped by the lagom philosophy and it signifies more than just "meeting in the middle".

2.5.5 Alternative Interpretations of Lagom Around the World

Lola A. Åkerström, a book author of Nigerian descent (Bastock, 2016) who also lived in the United States before moving to Sweden (Åkerström, 2017), has had her share of influence on the prominence of lagom outside Sweden. Åkerström, the author of two books about lagom, titled *Lagom: The Swedish Secret of Living Well* (available in 17 languages) and *Live Laugh Lagom*, has also shared her experiences in an interview with Forbes. In her interview, she describes how lagom can take many shapes and forms and that the concept can be applied in various situations. To the question about whether lagom can only be practised when living in Scandinavia and being surrounded by this type of culture, she clarifies that lagom is more of a mindset than a specific set of actions to follow: "My lagom is not going to be your lagom" (Nikel, 2019). The fact that Åkerström would become the author of a book about lagom seemed inevitable, given her journeys through life, however, she has not always felt as comfortable and familiar with the concept as she does today. One of the challenges in the beginning, as she describes, was the distance and lack of acknowledgement that lagom can create, especially if one's home culture has more of a community mindset than Sweden has. Rather than dismissing Swedes as just being cold, she had to learn to understand lagom fully at its core (Zita, 2017).

Åkerström also appears in an article on BBC (Åkerström, 2017), where she describes the terms 'hygge' and 'lagom' - two terms that do not mean the same thing, but are often compared to each other given the hype and admiration they have generated even outside Scandinavia (Green, 2017). Surprisingly, Åkerström also takes up the same story about the Vikings passing around a bottle of mead, ascribing this situation, coupled with the Swedish words *laget om* (around the team), as the origin of the word lagom (Åkerström, 2017). Earlier in this paper, this false myth about the origin of the word lagom is mentioned already. The fact that the author of two books about lagom, a specialist in this field, bases the story on an arguably incorrect fact, confirms the complexity and mystery that surrounds this famous word lagom.



Lagom has drawn some attention in recent years, especially from countries outside Scandinavia, which show their admiration for the “lagom way of life”. The article on CBC News about Bertil Marklund’s book - a Swedish professor who wrote *The Nordic Guide to Living 10 Years Longer: 10 Easy Tips for a Happier, Healthier Life* - highlights how less is more and that living ‘lagom’ promotes a healthier lifestyle (Weikle, 2017). The news about ‘hygge’ and ‘lagom’ have also reached the US, as Broyles (2017) emphasises in her article about the two Scandinavian concepts. For this purpose, conclusions from the book *Live Lagom: Balanced Living, the Swedish Way* are cited. The author, an American woman named Anna Brones (daughter of a Swedish expatriate), is one of many who has written a book about the ominous concept of lagom. The New Indian Express also published an article on the Swedish philosophy of lagom, which can be applied in any situation or area of life (Sindh, 2022).

2.6 Summary

As was mentioned in the sections above, International Business brings another level of complexity into the already interwoven world of business. Cultural, economic, political and legal differences between countries present a challenge for companies but there are also extra opportunities. What concerns business operations in Sweden, local Swedish business culture puts its mark on whatever is happening within firms and brings with it cultural influence. Overall, Swedish business culture has earned some international admiration and also some success, as is shown by the high competitiveness of the Swedish economy (IMD, 2022).

One of these “buzzing” concepts is the term ‘lagom’, which is not an inherently Swedish invention, given the simple translation of “not too much, not too little - just enough”. However, this concept is deeply rooted in the culture and so also among every citizen and the way people behave and act. It has earned some international hype in recent years, especially in connection with the attempt of rediscovering a healthy work-life balance and resisting a ruthless performance-oriented society where more is always more.

Along the lines of a more relaxed, but still well-balanced and reliable Swedish business mentality and a ‘lagom way of life’, also the country’s leadership style has gotten some praise (The Local, 2017). Some of the features are a leadership style with flat hierarchies and a strong emphasis on full consensus within the team, so, group decision-making as opposed to a centralised one by the boss. Based on all this, and given how lagom can be seen throughout all these cultural traits that Sweden presents within the business world, the question remains, to what extent this concept is exportable, and whether it can aid a company in becoming more sustainable.

2.7 Conceptual Framework

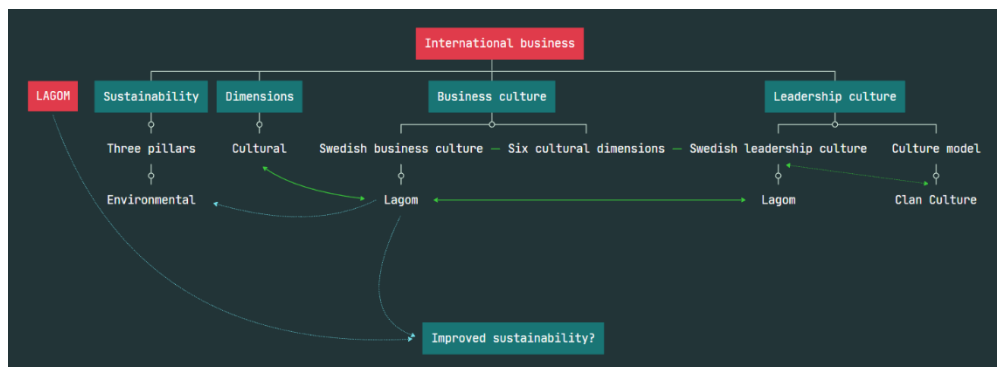
The core of this thesis is based on international business and the various aspects it could imply. It starts by covering international business and then puts focus on the different parts. Sustainability is discussed and one of the three pillars of



sustainability is touched upon to present the environmental aspect of sustainability. This aspect is then analysed and questions are asked to the interviewees concerning that topic. The dimensions of international business are also covered, and in the interviews, a focus is put on the cultural dimension. The business culture covers the general, but also Swedish business culture with the help of Hofstede's six cultural dimensions (Hofstede Insights, 2023), and indicates the presence of lagom which is to be confirmed with the help of interviews. Leadership culture is analysed with a combination of the six cultural dimensions and the culture model to reveal yet another possible connection to lagom which could also be revealed during the interview process. An "outlier" in the literature is Lagom, which, as a concept, is not connected to international business but reveals itself within various aspects of it. The interconnection between the different fields of international business is also present and is shown above with lines, which show either clear, partial or possible connections (Figure 1). The purpose of the interviews is to determine whether these connections, identified as "possible" ones, are valid.

Each theme that is reviewed in the Literature Review chapter can be rediscovered in the interview questions. By utilising a funnelling technique (Rosala and Moran, 2022), where concepts are reviewed from a broad perspective first and later narrowed down, the literature review is effective in covering the various aspects that the interviewees might bring up during the interviews, thus ensuring that optimal results can be achieved through the analysis.

Figure 1: Conceptual Framework



Legend:

Solid green lines: represent connections

Dotted green lines: represent partial connections

Solid blue lines: represent possible connections



3 Methodology

This chapter shall give the reader an understanding of the methodology used in the research. It will start by covering the chosen research approach with a justification as to why this one is chosen. Following this, the research strategy is mentioned along with some concrete elaborations. The paper continues with the research design where four different approaches are named, as well as the method of choice. The research method and data collection follow next, succeeded by the operationalisation section. After this, data analysis will be conducted along with an explanation of the quality of research and the ethical considerations. This chapter shall also be rounded off with the author's contributions to give insight into how the work has been conducted.

3.1 Research Approach

As for research approaches, there are two contrasting types with opposite perspectives: deductive and inductive. Deductive approaches stem from a theory-derived premise, from which a conclusion can be drawn. Inductive approaches are used if there is a gap in the logical argument between the conclusion and the premises observed, which then has to be filled through that primary research (Saunders et al., 2019, pp. 152-153). Between those two approaches, there is another one, just as common in research - the abductive approach. In abductive reasoning, data is collected to explore a phenomenon, but also to generate new theories - or, alternatively, modify an existing one - which is then tested through additional data collection (Saunders et al., 2019, p. 153).

If there is a gap in the logical argument between the conclusion and the premises observed, these observations need to be supported by (primary) data collection, such as interviews with experts in the field, to further explore this phenomenon. In the first step, data about the topic is collected and a conceptual framework is developed, followed by the collection of primary data. This approach is called inductive (Saunders et al., 2019, pp. 152-155).

In this case, the inductive approach is most suitable as the research question starts with a surprising observation: Swedish companies do noticeably well in terms of sustainability (Sachs et al., 2021), and the Swedish leadership style draws a lot of positive attention (Williams and Devine, 2005; The Local, 2017). The phenomenon of the Swedish cultural concept of lagom has its influence on Swedish working culture, as mentioned in the literature review of this paper and is visible throughout all facets of Swedish culture. Whether there is a causal link between one and the other shall be tested through primary research to see whether the findings from the theoretical perspective can be backed up.

This paper has two sequential research questions:

1. How do Swedish companies apply the 'lagom' philosophy in their international business practices?
2. How does lagom affect companies' environmental sustainability?



Therefore, an inductive research approach to build a theoretical foundation of Swedish business practices and the lagom concept will be used. Instead of starting with a prior hypothesis, such as in deductive research, this study aims to construct a theory based on new research findings. Through interviews with business professionals from multinational companies in Sweden, the aim is to find out what the driving force for their sustainability strategy is and whether the cultural concept of lagom has an influence on that. Further, this research seeks to shed some light on their leadership culture and whether this one has elements of a lagom philosophy.

3.2 Research Strategy

The methodological choice that needs to be made is between quantitative, qualitative and mixed methods. The researcher needs to anticipate the type of data needed to respond to the research question (Williams, 2007, p. 65). When distinguishing quantitative and qualitative research, Saunders et al. (2019, p. 175) make one distinction between numeric and non-numeric data, in other words, numbers versus words, images, audio recordings, video clips, and the like. The qualitative research technique produces non-numerical data, which can be collected through interviews and other methods with a less structured or standardised approach.

Within these research strategies, there is a so-called mono and a multi-method. “Mono” means using a single data collection technique, and “multi” refers to the usage of several methods (Saunders et al., 2019, pp. 176-178). In regards to this thesis, a qualitative approach will be taken, using a single data collection technique - a mono method qualitative study in the form of interviews. Qualitative research usually takes an interpretive approach, where the researcher needs to make sense of subjective and socially constructed meaning in a certain context (Saunders et al., 2019, p. 179). It takes a holistic approach, which involves discovery and allows for a high level of detail. The participant’s viewpoint is central to qualitative research and is primarily built on inductive, rather than deductive reasoning (Williams, 2007, p. 67). Since the research is aimed at the exploration of a cultural phenomenon, this in-depth approach is most suitable for exploiting the research questions.

Saunders et al. (2019, pp. 189-211) describe several different research strategies within the umbrella terms of quantitative and qualitative research, namely:

- Experiment
- Survey
- Archival and documentary research
- Case study
- Ethnography
- Action Research
- Grounded Theory
- Narrative Inquiry

The majority of the theories named above are qualitative research methods (Saunders et al., 2019, pp. 196-197), and for this research paper, the case study is



the most fitting strategy. It allows the researchers to go in-depth with a topic and also prompts further follow-up questions if more information from the interviewee is needed. Selecting this strategy allows the researchers to delve deeply into the experiences and perspectives of the interviewees. It also provides flexibility during the data collection process as there is a possibility to seek further information or clarification during the interviews if needed.

3.3 Research Design

Within research design, there are four main approaches, namely descriptive, explanatory, evaluative and exploratory research (Saunders et al., 2019, p. 186). While descriptive entails the summary of characteristics or phenomena, explanatory uncover causal relationships and explains how or why something occurs. Evaluative assesses the quality or worth of something, and, last but not least, exploratory studies are about discovering and gaining insights into new topics of interest (Saunders et al., 2019, pp. 186-188).

For this purpose, the thesis will utilise an exploratory research approach, exploring the relationship between Swedish companies' sustainability practices and the 'lagom' culture. The exploratory approach is, as suggested by its name, about understanding a phenomenon and gaining further understanding of an issue where previously little knowledge has been acquired. Interviewing experts is one common way of conducting preliminary research, however, given the nature of exploratory studies, interviews are likely to be relatively unstructured as the contributions from the interview participants constitute a large part of the research (Saunders et al., 2019, p. 187). For the research in this paper, this method is suitable as it aims at exploring the concept of lagom within Swedish companies and tries to identify possible links between the cultural aspect and the subsequent decisions or strategies that companies choose or pursue. The theoretical framework in the Literature Review section aids as a supporting pillar for the definition and helps in structuring an outline, however, the majority of the findings are coming from the primary research itself - in other words, the interview participants' contributions will shed further light on the topic and shape the research in this project. As Saunders et al. (2019, p. 187) highlight, interviewing 'experts' is a way of gaining additional knowledge. In this case, those 'experts' are business professionals in companies in Sweden that possess knowledge and experience of international business operations and who can share some insights into how business practices are influenced by lagom, with a main focus on the topic of sustainability.

3.3.1 Multiple-Case Study

A case study in research may refer to different subjects, it could be a person, a group, an organisation, a process, to only name a few. An important element of this type of research is the understanding of the dynamics within its setting or context, as it involves interactions between the subject of the case and the environment around it. In case study research, the boundaries between the phenomenon studied and the context around it are not as clearly defined or delimited, therefore the researchers must comprehend the context and draw the right conclusions from it (Saunders et al., 2019, pp. 196-197).



Choosing a single case or multiple constitutes a major difference: single case studies allow one to go in-depth with a previously sparsely studied phenomenon, while multiple cases follow the purpose of comparing the findings and possibly replicating them across the different cases (Saunders et al., 2019, p. 198). Yin (2018, p. 54) considers single- and multiple-case study designs as variants within the same methodological framework, which not all authors do, given the comparative nature of multiple-case studies.

Multiple-case studies have some distinct advantages over single-case study research, such as being regarded as more robust and compelling in terms of the findings generated, however, all research enquiries cannot be compared - for some, single case study is much more appropriate and therefore the better choice (Yin, 2018, p. 54). For this paper, the multiple-case study is the more fitting option, as the aim is to observe and possibly replicate patterns across the different cases. Seeing how different companies have practices and behaviours in common, especially those that are tied to the connection of lagom and sustainability, would represent an important contribution to the findings of this thesis. For that purpose, a “lagom” number of companies shall be interviewed, ideally between four and six, in order to both have a large enough sample, but also be able to go into detail with every single case.

One of the shortcomings the case studies have is the limited basis for generalisations, or at least statistical generalisability, as the case study does not represent a “sample” - as opposed to surveys with random population sampling. However, this is not the primary goal, there is still a possibility to draw generalisations, more precisely ‘analytic generalisation’, which helps in forming and expanding theories (Yin, 2018).

3.4 Research Method

As for research methods, there are several different options, of which interviews are the most widely used, at least in qualitative research (Bell et al., 2022, p. 427). Within qualitative studies, non-standardised interviews are used, as opposed to standardised (structured) interviews that are prevalent in quantitative research (Saunders et al., 2019, p. 437). Out of the two, unstructured interviews are more in-depth than semi-structured ones. Given the skill required to be an experienced interviewer in unstructured interviews, coupled with the aim of identifying themes to compare the participants’ answers in a systematic way, the semi-structured approach to interviews is chosen for this research project (Saunders et al., 2019, pp. 434-438).

3.4.1 Semi-Structured Interviews

Semi-structured interviews are in between structured and unstructured and follow a list of predetermined key questions, usually related to a set list of themes that were defined before the interview. These themes will later help to compare the participants’ answers from different interviews with each other, even if very different answers are given or in spite of spontaneous follow-up questions asked in some of the interviews (Saunders et al., 2019, p. 437). Saunders et al. (2019, pp. 437-438) describe different approaches within the semi-structured interview method, such as realist or interpretivist. In this case, a realist approach seems more



suitable as it would be unwise to omit any themes or be too flexible with the order of the questions. Given the concepts that need to be compared and that are interconnected, such as lagom, sustainability, Swedish values, business culture and leadership style, the best will be to stick to a certain structure throughout all interviews. Follow-up questions will likely be posed where appropriate, and it is still crucial to be adaptable during the interview and follow the flow of the conversation. Most questions will be as open as possible to allow the participant to provide an elaborate answer without any bias from the researcher's side. Throughout the interview guide, there needs to be a red thread, so the goal is to connect the questions smoothly even across the different themes. Also, the first questions of each theme are broader and the following ones help to narrow down a topic by becoming more specific.

To secure interviews the researchers utilised a premeditated message, which covered the purpose of the research conducted, what could be expected from the interviews and the potential benefits for the company in case of their participation. These messages were prepared in both English and Swedish and were then sent to selected individuals in senior positions in different fields, primarily via LinkedIn. Once the interviews were secured the option for the interviewees to receive the interview questions prior to the interviews was offered by the researchers, which two of the interviewees decided to opt for. To gather the information, questions regarding predetermined fields were asked, the order of which followed the researchers' interview guide (Appendix A and B). To not lose out on important information that could have been lost in translation, all interviews were held in Swedish, as both interviewers are fluent in Swedish and all interviewees had Swedish as their mother tongue. The researchers manually transcribed each interview in Swedish and later utilised software to translate the interviews into English. The translations were then manually reviewed and edited with a side-by-side comparison to the original transcripts to ensure accuracy and no loss of context. The utilisation of software can be justified by the limited time factor as well as reduced bias compared to a manual translation. Additionally, automatic translation could offer higher accuracy in regard to the wording of direct quotes as there is no room for human error. It is also important to acknowledge the limitations of software translation, and for some purposes, it should not be utilised, for example post-editing as it can lack accuracy and prepositional phrases (Koponen, 2016). However, for purposes such as translating speech, where short sentences are translated and can be manually reviewed while the translation is occurring, it serves the purpose of saving time and eliminating bias.

3.5 Data Collection

Data collection consists of several different ways, including secondary data and interviews (Saunders et al., 2019, p. 58), which are both relevant to this research. Interviews can be used to collect primary data and for the actual findings of this study, this specific way of data collection will be the determining factor. The primary data can then be backed up or compared to the secondary data previously gathered in the literature review. All data that is collected will not be part of the



thesis as some material will have no use for the actual research, and this process of filtering out is at the discretion of the authors (Saunders et al., 2019, pp. 639-640).

3.5.1 Primary Data

The interview, which is a primary data collection method, involves more than simply posing questions to an expert in the researched field. Paralanguage and non-verbal cues are just as important in this interaction and interviews rely also on establishing some level of rapport between the interviewer and the interviewee. It can even contribute to a refinement of the researcher's ideas or research questions if those still contained some ambiguity prior to the interview (Saunders et al., 2019, pp. 434-435). Therefore, intangibles such as context, feelings and impressions are a very important part of the whole primary data collection process.

There are different types of interview modes (Saunders et al., 2019, pp. 441-443) which also differ in terms of number of participants. In this case, there will be two researchers and one interviewee present. Depending on all parties' availability and preferences, the most appropriate interview channel will be chosen, however, for the interviews of this study, they will be conducted either face-to-face or through internet-mediated channels - more details can be seen in the section 'Table of Cases'.

Before the interviews, some preliminary research was done on the companies, mainly about the interviewee and the company's stance on sustainability. Through this search, the prominence of the companies' sustainability initiatives on their websites could be assessed as well as the extent to which they prioritise it from a PR perspective. Furthermore, this brief background check would allow the researchers to ask some specific questions in the interview, tailored to that company.

For the execution of the interview, the roles of the two researchers were divided where one would ask the questions based on the interview guide, while the other could take notes, record the interview and interject any additional questions that would come up in the context of the interview. Due to the nature of the companies, all the interviews were conducted in Swedish. After the completion of each interview, the transcripts were finalised in the original language with the help of the recording and the notes and thereafter translated into English.

3.5.2 Secondary Data

Secondary data, which can include both raw data and published summaries, can contribute to different or additional knowledge to complement the primary data that is being collected through interviews (Saunders et al, 2019, p. 338). For this thesis, however, secondary data is solely used in the 'Introduction', 'Literature Review' and 'Methodology' chapters and has been collected from books, peer-reviewed journals, and online sources such as websites and reports. Information on the companies that were interviewed was also retrieved in a similar manner, mainly through online research.



3.6 Selection of Cases

Depending on the type of research, it is manageable to collect data from an entire population (Saunders et al., 2019, p. 294). It needs to be kept in mind that 'population' is a term used for the full set of cases needed for this specific research. Normally, however, there is a need to sample, which can be for different reasons. For the research in this specific paper, it would be both impracticable to survey the entire population and time constraints would not allow for that either - those concepts described by Saunders et al. (2019, p. 294) illustrate why sampling is done in the first place.

3.6.1 Method of Sampling

Sampling is divided into probability and non-probability, and, as opposed to probability sampling, which is also called representative sampling due to the possibility of making statistical inferences from it (Saunders et al., 2019, p. 297), non-probability sampling is the one most appropriate for this research. The sample size is dependent on the research questions and objectives, however, while some research textbooks recommend collecting qualitative data until data saturation is reached, it is not the sole determining factor of the sample size to be chosen (Saunders et al., 2019, pp. 315-317). In this research paper, the objective is not to obtain theoretical data saturation as this might not even be possible, given the interpretive nature of the research questions. The objective is to be able to go more in-depth, gain particular insight and explore.

The sampling method used here is defined as purposive sampling (Bell et al., 2022, p. 388), as the researchers are not seeking their participants on a random basis, but strategically selecting them to ensure the relevance to the research questions. One aspect of purposive sampling in qualitative research is to find sample members that differ from each other in terms of key characteristics so that there is enough variety in the resulting sample. This is established through the selection of companies in the section 'Company/interviewee criteria' below.

The conclusions cannot be expected to be monochrome, but will rather focus on nuances and tendencies that suggest how lagom influences the environmental sustainability of Swedish companies, and thus draw generalisations which could provide insight into the utilisation of lagom. Selecting the samples will be done through self-selection sampling (Saunders et al., 2019, pp. 316-318), given the exploratory nature of this study as well as how it is easiest to reach or select suitable participants. As this research can provide possible benefits to the company being interviewed, the self-selection was narrowed down to candidates with influence over their organisations in industries where the potential findings could be useful. By highlighting the uniqueness of the research it encourages the respondents to participate. Subjective judgement from the researcher's side will be involved in the selection process, about which more will be mentioned in the following subsection.



3.6.2 Company/Interviewee Criteria

Due to the nature of the research, it is beneficial to include various industries to get nuanced results to draw general conclusions. There are, however, various industries which are not suited for this research. The industries that were purposefully excluded are media, chemical, financial, education, and medical. As for the company profile, the first requirement is the presence of operations in at least four different countries, with a preference for “global” operations. Further, the size of the company also plays a role. No upper limit for the number of employees is set, but a requirement of at least 300 employees is mandated, with a preference for 10,000 or more employees as smaller companies could provide information that might be too company-specific to be of use in the research. However, an important aspect is the presence of at least one “medium-sized” company with less than 1,000 employees as it can bring unique and beneficial information that the larger companies might not provide.

The significance of the interviewee’s role cannot be overstated. The eligibility criteria for the interviewee include a minimum requirement for a managerial role, with a preference for senior-level managers. It is also important that the interviewee has appropriate knowledge within the field that is researched and a minimum experience of 10 or more years within the industry they are operating in, and at least two years within the company. To achieve optimal results, another requirement is that the majority are Swedish companies. Moreover, interviewees from Swedish companies must be of Swedish origin and/or have grown up in the country as lagom is a uniquely Swedish perspective and can thus be difficult to fully comprehend for a person unacquainted with the concept from an early age.

A total of 5 cases are to be selected, 4 of which will be Swedish companies. Out of the 5, 3 companies with over 100,000 employees will be included, 1 of which is a non-Swedish company. However, to not saturate the results too early, 1 smaller company with between 10,000 and 20,000 employees will also be included. Finally, 1 smaller company with less than 1,000 employees will also be selected to provide a more comprehensive understanding of lagom’s impact on companies of varying sizes.



3.6.3 Table of Cases

Table 1: List of Interviews and Participants

Company	No. of staff	Interviewee	Position	Interview Date	Interview channel
Hitachi Energy	~300,000	Hashim Malik	VP, Head of Marketing and Sales	15 May 2023	Microsoft Teams
Ericsson	105,529	Daniel Paska	Director Sustainability Policy	16 May 2023	Microsoft Teams
NCC	12,500	Robert Angmyr	Production Manager	16 May 2023	Microsoft Teams
Anonymous	>100,000	Anonymous 'Markus Johansson'	Global Corporate Sustainability Manager	17 May 2023	Microsoft Teams
Norden Machinery	~300	Christer Bäck	Head of Customer Service	17 May 2023	In person

3.7 Operationalisation

In order to write an interview guide, the underlying theoretical framework is needed, and that has to be preceded by a thorough literature review (Jacob and Furgerson, 2012, pp. 2-3). In so doing, the authors can ensure a structured approach with sufficient knowledge about the subject, and subsequently secure a high-quality interview guide. Converting abstract concepts from the theory part into themes for the interview part, or, in other words, the process of operationalisation, is an inherent part of the research process (Patel and Davidson, 2019, pp. 72-83).

The interview guide was drafted based on themes that were also used in the theory part as the pillars of the conceptual framework, and the same will be continued throughout the 'Empirical Findings' and 'Analysis' chapters. As mentioned earlier in this document, the funnelling technique (Rosala and Moran, 2022) that starts with a broader approach at first and then narrows it down by going into more specific questions, shall prompt the interviewee to give all-inclusive answers about a topic



and covering a holistic perspective. The theme of International Business pervades throughout the entire interview guide that subtly influences all the questions. Rather than being explicitly highlighted as a separate theme, it is seamlessly integrated throughout, underlining its significance as part of the whole process.

3.7.1 Operationalisation Table

Table 2: Operationalisation of Interview Guide Questions

Concept	Interview questions	Reasoning
General questions	1	Before the interview can be started, a few formalities have to be clarified
Interviewee and company profile	2-6	The interviewee's profile is important to know as part of the analysis later on
Business culture	7-10	Finding out about their company culture and some cultural aspects can help to gain better insight into some dynamics within the firm
Sustainability	10-13	Questions about the company's sustainability involvement will be used to determine where they stand in terms of this aspect
Lagom	14-15	Asking the interviewee specifically about lagom could give some interesting extra insight that might or might not match with the theory above
Leadership culture	16-18	Understanding the company's leadership culture could give further indications of the prevalence of lagom
Concluding question	19	The interview is rounded off with a general concluding question

3.8 Data Analysis

A typical challenge that qualitative research poses is the large, complex dataset that emerges from the data collection process. The researchers have to rely on unstructured language and transcripts from interviews, which is important to



overcome by choosing an appropriate analytical approach. As for qualitative data analysis, there are no such clear guidelines or structured procedures as in quantitative research, but rather just broad guidelines. Therefore, it is up to the researchers how they tackle the data analysis process (Bell et al., 2022).

3.8.1 Analysing Data Qualitatively

The thematic analysis, which can be seen as a generic approach rather than a specific technique and exists in a number of variants used in various analytical approaches, uses coding the collected data to identify themes and patterns for further analysis. The procedure involves first becoming familiar with the data, and one might have to go back and forth, refining the way of coding and identifying new themes and patterns throughout the process. When coding the data in the transcripts, data with similar meanings are categorised and labelled. In this complex set of data, actions, meanings, beliefs and much more can be identified and used to help categorise the relevant content for the findings and the subsequent analysis (Saunders et al., 2019, pp. 643-653).

A thematic analysis was used to identify categories of themes throughout the finalised interview transcripts. The themes were pre-defined and aligned with the operationalisation part, the interview guide and finally the Empirical Findings chapter. Going through the transcripts, colour coding was used, with each of the four themes having its own colour category. In addition to that, there was a fifth colour category to highlight all the relevant text parts that were worth mentioning in the findings and analysis but did not match one specific theme. This method proved to be a useful way of keeping track of the important bits from the interviews and aided in conducting the analysis after the empirical findings as well. Where necessary, quoting was used, and the relevant, colour-coded text helped in identifying the right parts. The fact that both researchers participated fully in all the interviews and took additional notes beyond what was being transcribed, helped in gaining a high degree of familiarity with the data, which later eased the analysing process.

3.9 Quality of Research

To achieve high-quality research, reflexivity is of utter importance. Therefore, the researchers must reflect on their own biases and assumptions and question them to obtain an objective overall outcome. In order to attain that, a thorough literature review was conducted, including the usage of critical sources and alternative theories to the introduced concepts, allowing different perspectives on the topics. Additionally, the researchers have received regular feedback from the supervisor, examiner and different opposition parties throughout the process, which has been taken into account and helped in keeping a critical view of the topics presented and reducing possible biases.

While the selection of suitable, qualified business professionals was carefully made, the focus was only on choosing people in the right positions, independent of their gender. However, the sampling of interviewees resulted in five male business professionals, which turned out to be fully coincidental. Therefore, the perspectives



collected in the interviews of this paper come solely from one gender, which could appear biased. The inclusion of companies of different sizes, but with a focus on larger companies, allows for wider applicability. Involving a non-Swedish company operating in Sweden provides the researchers with an additional opportunity and an extra perspective on Swedish business practices and sustainability. However, caution is required when interpreting the generalisability of the findings, given how further research and reference to established scholarly sources are crucial to ensure a solid scientific foundation.

According to Bell et al. (2022, pp. 48-50), the three most prominent criteria for the evaluation of business and management research are reliability, replicability and validity. Replicability will be mentioned throughout the text, while reliability and validity - two words that seem almost synonymous but are in fact quite different in this context (Bell et al., 2022, p. 174) - are presented as separate sections below.

3.9.1 Reliability in Qualitative Research

Bell et al. (2022, p. 174) mentions three underlying factors of reliability in research: *Stability*, *Internal reliability* and *Inter-rater reliability*. *Stability* refers to the extent that a measure is stable over time with minimal fluctuation if it were to be replicated in the future. *Internal reliability* describes whether a respondent's scores on those different indicators are related to each other. Lastly, *inter-rater reliability* refers to the subjective judgement of the researchers in the process of recording and transferring their observations over to their findings and analysis. To ensure that, both researchers must follow the same methodological process carefully and rigorously to reduce any form of bias as well as possible. Another, almost parallel term that comes into play in connection with reliability in qualitative research is dependability. Saunders et al. (2019, pp. 447-448) describe possible data quality issues related to three biases: interviewer, interviewee and participation bias. The interviewer bias entails situations where the researcher could affect the interviewee's replies through tone, comments or way of phrasing questions. Interviewee bias, also known as response bias, deals with the perceptions they have of the interviewer and the fact that sensitive questions could lead to not being fully answered. Finally, participation bias is about who is chosen to take the interview - in other words, the representative of the company that has been selected - which in turn influences the replies given during the interview.

That being said, by interviewing five different companies from various industries, and using open-ended questions that encourage participants to provide answers as descriptive and detailed as possible, the authors aimed to ensure a high level of reliability in this research. Furthermore, given the nature of the type of interviews conducted, it is not necessarily intended to be fully replicable since they reflect reality at the time they were collected. Thus, it is not entirely feasible to re-enact in the same manner by other researchers (Saunders et al., 2019, p. 449).

3.9.2 Validity in Qualitative Research

Bell et al. (2022, p. 369) divide validity into internal and external validity. Internal validity refers to the extent that the researcher's observations and the theoretical



ideas they develop match. Extensive knowledge and prolonged exposure to the participants' areas of expertise tend to contribute to a better understanding of the researchers and thus results of higher quality, which is why internal validity is seen as a strength, particularly in ethnographic research. External validity describes to what degree the findings can be generalised across social settings. This tends to be the bigger challenge in qualitative research due to the small sample size or low number of case studies conducted.

By using a multi-case study instead of a single case study, the researchers tried to minimise one type of bias and potentially increase the validity of the findings, considering that this type of research method includes several companies' views and thus allows for a more nuanced collection of findings. Another action that can lead to possible bias reduction was the selection of respondents in combination with their respective job titles. Although some of the participants had a job position within the area of sustainability, and therefore experts in the field, all of them did not have the same area of responsibility. This allows for a broader collection of different views within the scope of findings.

Furthermore, in order to ensure a high level of transferability (Saunders et al., 2019, p. 217), the interview guide has been attached in both English and the original language of the interviews, which were conducted in Swedish. Given the importance of context, which might be limited when only referring to the final interview guide, the full transcripts and recordings are also available upon request, however, only for a limited time, given confidentiality and ethical considerations.

3.10 Ethical Considerations

The research conducted for this thesis is based on interviews, and each interviewee must have the option to remain anonymous in order to protect their privacy. At the beginning of each interview, there are four questions to obtain informed consent and ensure privacy protection. These questions include asking participants whether they agree to have the interview recorded, if they prefer to remain anonymous (both their name and company name), as well as whether they agree to the utilisation and publication of their interview responses. These questions ensure that consent is given for the utilisation of the material that the interviewee provides and that their privacy can be protected if necessary. The analysis will exclude information that may cause harm to the individual or organisation if published. However, information that is deemed important but could cause harm will be rephrased to disassociate from any organisation. However, additional verbal and/or written consent will be required for that. The research will also follow the rules and regulations of the Data Protection Ordinance (EU, 2016), meaning that the data will be used in a lawful manner and its use will be limited to the agreed-upon matters and will not be used in other research. Interviews will be transcribed and potential recordings will be deleted at the longest 24 hours after the final review of this thesis to ensure confidentiality. The consent given is also revocable and as such, if an individual does not wish, at any time, the material they provided to be public, a withdrawal of their information will occur. Sensitive data will not be collected during the research. For the purpose of the research, fictitious names may be



assigned to the interviewees to ensure privacy, however, if requested, credit will be given to interviewees for their contributions to the research.

3.11 Author Contributions

For this research paper, the authors made use of their individual strengths but also emphasised good teamwork. The generation of ideas was done in a fully equal manner and the inputs from either side have helped in shaping this project to what it is today. Given the circumstances, the two authors have worked remotely and team meetings have been conducted online on a regular basis. That being said, as both authors have their individual advantages and strengths, different chapters and sections of the paper, especially in the earlier stages of the thesis, have been contributed to more by one author than the other. For other segments, it has been vice versa, resulting in an overall equal contribution to this research. However, each chapter was all in all written together. The estimated contribution per author is stated in the table below.

Table 3: Authors' Individual Contributions

Author	Hugo Jansson (%)	Linus Krebsler (%)
Generation of ideas	50%	50%
Abstract	85%	15%
Introduction	75%	25%
Literature Review	70%	30%
Methodology	15%	85%
Empirical Findings	50%	50%
Analysis	40%	60%
Conclusion	50%	50%
Interview transcription	65%	35%
Text revision	35%	65%
Seminar participation	50%	50%



4 Empirical Findings

This section aims to cover all the discoveries from the interviews conducted. An introduction of each company and the interviewee is going to precede, followed by the findings that are divided into different sections, consisting of Business culture, Sustainability, Lagom, Leadership culture, and supplementary findings. The key points of each interview are divided by companies, and this structure is followed throughout the different sections.

4.1 Cases

All the respondents participating in this study are of Swedish nationality and possess a full understanding of Swedish culture. They can all count on international experience in their respective companies and are in senior management positions with a solid knowledge of the topics covered in the interview guide. One of the interviewees requested to be anonymous, therefore he is mentioned with the pseudonym ‘Markus Johansson’ in the chapters below to ensure fluency throughout the text. In order to maintain full anonymity, his company is mentioned as ‘Company A’. Four of the interviews were held over Microsoft Teams and one through a face-to-face meeting. All of the interviews took place between 15 and 17 April 2023.

4.1.1 Hitachi Energy

Hitachi Energy is a global energy company that operates in all parts of the world. They are a global market leader in providing energy systems and power engineering, they also offer various types of energy consulting, installations, maintenance, education, and cybersecurity. They currently have 350,000 employees globally and are a subsidiary of Hitachi CO. They have a presence in almost every country in the world including a subdivision in Sweden. From their homepage, a general perception is an effort towards seeming as green as possible. There is an array of pictures depicting open fields, solar power, wind turbines and so on. There is a clear focus on sustainability on their website with a well-developed “sustainability” tab which explains their plan for a more sustainable world, their visions for the future and their efforts. Their plan towards sustainability called “Sustainability 2030” is clearly shown on their website and consists of four different key elements: The planet, people, peace and partnership. It is a 12-page document which is based on the Sustainable Development Goals set by the UN. Each element of this plan has different goals which are planned to all lead to the business contributing more towards social, environmental and economic aspects. A goal is to reduce their CO2 emissions by 50% across the entire value chain by 2030. In their plan they put specific focus on goals 3-7, 12, and 16-17 (Hitachi, 2022; UN, 2015).

The interviewee was the VP, Head of Marketing and Sales, Mr Malik who had been with the company for over 14 years. During his career at Hitachi Energy, he worked and lived in several different countries, including Saudi Arabia and the United Arab Emirates, and he can therefore count on a broad international experience.



4.1.2 Ericsson

Ericsson is a Swedish multinational technology company founded in 1876. The company's headquarters is located in Stockholm, Sweden and has nearly 105,000 employees worldwide, available across all continents. Ericsson is listed on the Nasdaq stock exchange in Stockholm and New York. The company works with technology within telecommunications, such as mobile network technology, of which the latest is 5G (Ericsson, 2023a). Ericsson operates in 180 countries around the globe. On their website, they describe their vision as "A world where limitless connectivity improves lives, redefines business and pioneers a sustainable future". One of their objectives is to pioneer a sustainable future, for which they have formulated the goal of becoming carbon neutral in their own operations by 2030 (Ericsson, 2023b). Further, the company states its ambitions of reaching a "Net Zero greenhouse gas emission across the value chain" by 2040, as well as focusing on a circular economy approach (Ericsson, 2023c).

Mr Paska, the respondent from Ericsson's side, is working as Director of Sustainability Policy and has been in this position for 10 months. He has been with the company for more than 7 years. In his job position, he mainly works with advocacy and lobbying, and there is a close collaboration with the European Commission as well as the Swedish government. Furthermore, he is involved in industrial projects with various countries and markets all over the world. During his career, he has been working with international companies as well as studying abroad and thus collected a range of international experiences.

4.1.3 NCC

NCC is a multinational construction and property company founded in 1988 when a merger of two companies occurred. NCC operates in the Nordic region of Europe with operations in Sweden, Norway, Denmark and Finland. They have had previous operations elsewhere but have since downsized. There are currently 12,500 employees across the entire organisation, although Sweden has the vast majority and is responsible for 58% of the generated revenues (NCC, 2022). NCC is the leading construction company in the Nordic region and is dedicated to minimising emissions from production as well as from the operation and maintenance of finished products, and aims at using resources as efficiently as possible (NCC, 2023).

Mr Angmyr is working as a Production Manager and has been with the organisation for 38 years. In his job position, he is responsible for order intake and finances, personnel matters and strategic issues. He has limited international experience but has previously worked in Norway.

4.1.4 Company A

Company A is a multinational Swedish organisation within the field of technology and engineering. The company operates in around 100 countries across the world, with factories in ca. 60-70 countries. Company A is of noteworthy size in several regions, including Europe, the Americas and the Asia-Pacific region. The coordination of various projects and initiatives to facilitate the implementation of



their sustainability strategy is of importance to the company, and the same can be said for external as well as internal projects.

Mr Johansson works as a Global Corporate Sustainability Manager, where he is part of a central corporate sustainability function, which covers the entire company on a global scale. This function ensures the implementation of the sustainability strategy within the organisation. In his current role, he has been for two years, with a total of more than 18 years of experience within the same company. Despite never having lived abroad, Mr Johansson can count on plenty of international experience thanks to daily contact with people from all over the world.

4.1.5 Norden Machinery

Norden Machinery is a Swedish company and market leader in supplying high-performance tube filling systems, which is their sole focus. They are producing highly developed robots that are utilised within tube filling systems. The company, as it is known today was founded in 1980 but has roots dating back to 1877. There are currently 300 direct employees in the company and 97% of their business comes from markets outside of Sweden. They have a presence in 73 different countries and have delivered 9,000 machines since they were founded, out of which 5,000 are still in operation. The company is leading in innovation and their most recent success was augmented reality, which allowed them to perform installations at customer sites remotely (Norden Machinery, 2023).

Mr Bäck is the Head of Customer Service and is responsible for customer service globally. He has been with the organisation for 13 years and started as a salesperson. He has also been working in America for 1 year. Since 2015, he has held his current position.

4.2 Business Culture

Within the organisation, equality is protected and promoted, as Mr Malik emphasises. There are many different cultures in the countries where Hitachi Energy operates, and this diversity is important to the company. They offer development opportunities for their staff within the company and provide relevant training for everyone. Mr Malik states that the company highly values their employees, the work itself, as well as health and safety.

To the question of whether Swedish values are part of the company, he affirms the importance Swedish values have within the company: “Many Swedish values are a significant part of our company culture”. He also adds that Swedish values have persisted and influenced the organisation. Even though old values remain, from the times when the company was operating under the name ABB and later was acquired by Hitachi Energy, prior to that, the company he was part of had started in Sweden, and that’s where many values originate from. Mr Malik highlights the challenge of operating in different countries and acknowledges the influence of local culture on business practices. Hitachi Energy incorporates its Swedish values, code of conduct, and compliance rules, thus shaping its approach to doing business in various locations.



When discussing the topic of company culture in connection with lagom, Mr Malik points out that competitiveness is to be valued higher: “Within the company, we want to be the best and have the best quality. We want to be the best at innovation and be in the forefront”, being lagom would not be enough. He further asserts that “You have to be the best, otherwise, you will be outcompeted”.

In terms of cultural beliefs and values within the company, Mr Paska describes how Ericsson has a code of business ethics to be followed. Looking at it more closely, it is mainly based on Western European values. Matters like anti-corruption and fair business engagement have become increasingly important recently. When asked whether Swedish values are an important part of the company culture, he tries to nuance and specify in order to accurately explain Ericsson’s culture: “The company is quite global and international, so it’s a mix. I believe there might be some influence to some extent, but not to a great extent. The values are Western and inherent in being a global company”.

Mr Angmyr describes the culture within the company as values-driven, and names honesty, respect and trust as central values of NCC. The company focuses a lot on compliance, ethics, health and safety in the workplace. Diversity, inclusion and employee engagement are also extensively worked with, simply “a fair culture”, as Mr Angmyr highlights. Further, he emphasises trust and that everyone should have a voice. As for the question about the importance of Swedish values in NCC’s corporate culture, he mentions the difference in values between the Nordics and the rest of the world. In some places, people would prioritise business over being honest and respecting the other party, however, with most partners and suppliers that NCC deals with, mutual respect is highly valued and also leads to longer-lasting relationships.

Mr Angmyr has limited experience outside his current employer and mentioned that it is hard to compare, but some might focus less on employees and prioritise short-term goals over long-term ones. In his own company, he sees a very good corporate culture and sound personnel policies. Once again, he affirms how important it is to establish trust in their business endeavours: “We build relationships with clients, and if we are fair and stand by our values, they trust us, which can lead to more business in the future”. Mr Angmyr believes that in the Nordic region, values are respected to a much greater extent than in other countries, where prioritising profits take precedence over their principles.

Mr Johansson depicts Company A’s cultural values and beliefs with keywords that the company has defined: “Creating success, addressing the world’s energy challenges, transforming industries, embedding sustainability, and leading with technology”. He describes the company’s existence with the mission of helping its customers succeed, with a strong focus on electricity and industrial automation. Company A aims to make sure they always have the latest technology in the industry, a promise that they also let their customers know about. Another goal the company strives for is equal opportunities for men and women and people of different ethnicities. When asked if Swedish values are an important part of the company’s culture, Mr Johansson states that he believes that “Swedish values are



incorporated into the global culture”. He describes the culture as relatively informal, however, he is not entirely sure where this comes from and cannot confirm that it necessarily originates from Swedish culture. He further notes that it “may be somewhat Americanised”. As for the challenges on an international stage that might not have been faced in the same way domestically, Mr Johansson mentions how an “LGBTQ+ week or month may stand in stark contrast to the society outside Company A in some areas”. He also adds how this may seem like a very Western European thing to have and that in regions like India, China or the Middle East, it could look a bit different.

The trade-off between sustainability and profitability is seen as less dramatic by Mr Johansson than the formulation of the question could suggest. Besides more sustainability-related issues, he also mentions how crucial it is to try doing “the right thing” when getting involved in projects, especially when the local population, water supply or other critical factors are affected. He states that “we must have some understanding of the type of projects we are getting involved in. Due diligence processes are required for us to know”. Company A not only emphasises external issues that they try to improve but also internal ones, such as health and safety within the company. The company was able to improve the number of incidents causing sick leave by 42% within recent years, and the topic of health and safety has been a priority for the last 15 years now. To add even more, he mentions that Company A was “very early with corporate responsibility for human rights”.

When asked about the company’s sustainability strategy for the year 2030, something that was mentioned prominently on their website, he first discusses several points about sustainability, but then later diverts back to the ‘health and safety pillar’. He connects it to the topic of sustainability and further states: “Creating a culture of integrity and transparency involves legal aspects and a dedicated division that closely aligns with finance, ensuring compliance with regulations and fostering a culture within the company”.

Lastly, within the topic of ‘lagom’, he describes Swedish corporate culture as “quite pragmatic”. Further, he perceives that it is highly business-driven rather than philanthropic. However, it must also be business-driven, as he states, because otherwise, a company cannot survive.

The cultural ideas and perceptions of Norden Machinery are described as follows by Mr Bäck: “a strong focus on customer service, and we work closely with our customers. There is a willingness and understanding that we must do everything for the customer”. He makes a comparison to their biggest competitor, a German company. “Our German competitors tend to adopt a ‘take it or leave it’ approach, whereas we are more flexible”. “We solve the problem first and then determine who should pay for it”. He mentions that many of their customers appreciate this way of doing business. However, they could also learn from their German competitor, who is better at charging their customers and giving away fewer things for free.

Mr Bäck is doubtful about whether this can be related to Swedish values, he sees more of a Norden Machinery culture here - in other words, rather company-specific



values that push through here. He mentions the long tradition of doing business that way at Norden Machinery, and that this has always been a core value. Of course, this goodwill towards their customers has its boundaries, even though not specifically stated in any internal rulebooks. He states that “We have an authorization process to decide who has the right to give away or sell something. It is clear that I need to approve certain levels, and my manager also needs to approve others”.

To the question about the importance of Swedish values, he once again confirms: “We are a corporate culture, not a Swedish culture, even though organizationally, it might appear that way. However, many of the values and beliefs we hold at the core are instilled when we start working”. There are challenges with different cultures, and he highlights some examples of hierarchy differences in e.g. India, or Italy, where the engineering group Coesia comes from, by whom Norden Machinery is owned. For the company, the values must align, so there is a close collaboration with Coesia. He emphasises further: “We invest a lot in training and development. Many people travel within the Nordic countries and are away for 200 days a year, so they experience different cultures. A customer is a customer, regardless of who they are”.

Back to the cultural differences between Norden Machinery and their Italian parent company, he points out how the delivery of promises differs: “We have policies regarding respect and commitment. If we set goals, we achieve them” and the company takes pride in delivering what it promised. There might be a difference in thinking among their Italian counterparts, as he stresses. Mr Bäck then mentions the concept ‘right from me’: “If I deliver what I have promised, and my colleague does the same, then we get a good result”.

4.3 Sustainability

According to Mr Malik, sustainability is a crucial aspect of their company and they “place great importance on reducing carbon emissions and aiming for a fossil-free future emphasising green energy”. It is seen as a natural part of business and is allegedly quite straightforward. Another aspect where Hitachi Energy is actively aiming to improve sustainability is within product development where a systematic exclusion of hazardous substances occurs. Within product development, goals are also established where products are to have as little of an impact on the environment as possible. Mr Malik goes on further to define sustainability as “from the moment you wake up, breathe, have clean air, water, to eating food that comes from cows grazing in open fields. Sustainability should permeate throughout society”.

Some general aims within sustainability were also revealed, being to “provide energy, enable people to go to school, read a book at home, have a light, and ensure that industries keep operating, but with a green energy source”. They go on further to reveal that collaboration between authorities and companies is important to promote sustainability and to maintain it. Hitachi Energy is a global company with operations in various countries, the Swedish division reportedly has a bit better sustainability, and sustainability work has been conducted for a longer period of



time than in other subdivisions. One aspect where this is seen is that the company has ambitions to stay sustainable in their work environment by using green energy in their offices and production, and this is seen to a higher extent in Sweden than in other countries. On a global level, Hitachi Energy tries to maintain higher standards on production than what is minimally required by local law, and has the ambition of providing a product with “a long lifespan, high quality, to be as sustainable as possible, using environmentally friendly materials”.

From a financial standpoint, he states that “if you can make a profit with sustainability and environmental development that is the best thing”, however, it is stated that organisations might prioritise profits if they see it difficult to profit from sustainability. This is continued with the statement that “they will not manage to develop their environmental aspects in the end. Somewhere, profits need to be generated before going green”.

As a final aspect, Mr Malik discusses the responsibilities that each individual has in regard to sustainability and states that “in everyday life, you take your car to work, or to your parents, when you could have taken the train. You fly, which is not sustainable, but it is cheaper than taking the car or bus or train somewhere. You fly because it takes less time, you put focus on yourself over others and before the environment, and you do this your entire life”. It is a question of morality that everyone should ask themselves, but we are not in a time where one can say that he or she puts the environment over profit. Simply, the environment should be an important and prioritised factor when possible.

Mr Paska begins with a definition of sustainability and the role of it in Ericsson, “Sustainability should be business-oriented. A classic definition is the triple bottom line: financial, social, and environmental sustainability. We focus on all three, but currently, there is a strong emphasis on environmental sustainability and the financial aspects, such as energy usage, not only for our products but also for the company as a whole”. This is followed by an explanation of where the majority of the environmental impact occurs with their products, revealing that 85% of it comes from the user phase, it is therefore a crucial aspect to focus on energy efficiency on their products.

Mr Paska continues by explaining cultural differences between different markets and states that European customers have an extremely high focus on sustainability, whilst other markets are in the early stages of adopting sustainability practices. From a performance standpoint, Ericsson has reduced their energy consumption by 50% compared to their previous model series and is continually developing an array of software solutions with the intent of minimising energy consumption and are working hand in hand with their customers to find the most suitable solution tailored to their needs. This also goes in hand with a shift of focus in the industry. Previously, the highest priorities were high capacity and high speed, but it has now moved on to focusing mostly on energy efficiency. Ericsson has also made improvements in their work environment by reducing energy consumption in their offices, buildings, and factories. This aligns with their Net Zero goal which is a sustainability plan with two milestones. Their ambition is to be carbon neutral in



their own operations by 2030, and by 2040 in the entire value chain, which includes consumers. Their plan to reach complete carbon neutrality shall be aided by investing in carbon-capturing storage.

A clear opinion about sustainability that Ericsson displays is that there is no belief in buying emission certificates, but instead trying to find the best possible way to improve sustainability. This would enhance financial performance and vice versa. Therefore, no trade-offs should be made. Mr Paska believes there is no balance or trade-off between sustainability and finance, and states that it is simply integrated into the business. He also mentions that even if the strategy for the organisation is the same globally, cultural aspects influence how certain areas play out. He ends by stating that the sustainability crisis is something that could bring opportunities, which can be captured by becoming the best at sustainability.

Mr Angmyr starts by explaining sustainability and its dilemma of it, “We have our sustainability goals, aiming to become carbon-neutral by 2035. It is also crucial for us to ensure fair conditions when procuring materials. However, many times the client may not be willing to pay extra for sustainability-related costs. But I believe that in the near future, it will become a requirement for the client to meet climate goals, and they will have to pay a little extra for it”. This is followed by the company's ambitions to reach their goals “Utilising natural resources appropriately, reducing greenhouse gas emissions, using energy efficiently, adapting construction practices to the climate, prioritising health and safety for the team and emphasising ethics and compliance”. It is followed with a personal statement that Individuals should strive to do everything they can to influence the climate positively. Some examples that could contribute to sustainability are for individuals to engage in reuse practices, and to be mindful of energy consumption, which Mr Angmyr believes is occurring at a quicker rate due to recent surges in energy prices and the instability of the global market.

From a financial standpoint, and in combination with sustainability, NCC is currently in the works of optimising its transports and is actively trying to push clients to pursue more sustainable options. The dilemma occurs when it is necessary for the clients to see the value in sustainability and actually accept that it may cost a bit more to initially work with sustainable options. Simply, the client does not want to pay more. It is a matter of perspective and if the perspective on sustainability can change, clients will stop opting for the cheapest price without considering the impact. The importance of prioritising sustainability over self-interest is clearly more crucial than previously.

As awareness for alternative energy sources is on the rise, Mr Angmyr believes that development is rapidly occurring. This can also be seen within their field as the markets have pushed for more sustainable companies. In the field of construction NCC has three focus areas to improve: work environment, sustainability, and profitability - and to find the balance between the latter two. Mr Angmyr continues by stating that it is a necessity for companies to work towards the 17 sustainable development goals for them to survive and be attractive, both as employers and as suppliers, and ends with a statement that “there will be higher demands for clients.



They will need to have sustainability efforts to demonstrate that they are truly working on these matters”.

Mr Johansson begins by covering his individual responsibilities in sustainability where he is responsible for the global corporate sustainability function, with a focus on the transformation from fossil-based to sustainable energy usage. An ambition for their business can be found in maintaining their competitiveness whilst continually pursuing sustainable development. In the company, there is a strategy in place which focuses heavily on promoting social progress and prioritising health and safety. Their core is based on the strategy of embedding sustainability in everything they do, therefore sustainability considerations are a naturally integrated part of all their business.

According to Mr Johansson, it is critical in their industry to find a balance in all the projects they do to not affect their sustainability goals. It is therefore always an active decision whether to participate in controversial projects or not as they want to stick with their core value of embedding sustainability in everything they do. To go further, the company tries to find balance, not only in projects they choose but in everything they do, to find a balance between social, environmental, and economic aspects in all areas of the company. Mr Johansson also explains the demands from the export credit agency in Sweden and that there are social and environmental requirements in place to exclude engagement in controversial projects.

In the pursuit of sustainability, Mr Johansson finds that enabling a low-carbon society aligns closely with the company’s business idea, preserving resources and transitioning into a circular economy are also included. Furthermore, he predicts that biodiversity will play an important role in sustainability in the near future. He continues by explaining how the development of sustainability is pressured by the corporate responsibility for human rights, and social impact, which reflects the EU taxonomy. On a company level, a reduction in greenhouse gas emissions of 65% has been achieved since 2019. This is followed by a quote about the successes of the company: “We are proficient in health and safety. We are proficient in the climate issue, and we are proficient in delivering products and systems that make our customers more efficient and reduce their energy consumption and, consequently, their emissions”. Mr Johansson follows this by explaining that there is a significant difference in how different markets view sustainability and mentions Sweden as one of the best markets when it comes to this aspect. Even though he claims that the sustainability strategy is the same throughout the organisation, a differentiating factor is the awareness of the issues, and this is where Sweden is successful.

From a legal perspective, environmental issues are perceived differently, according to Mr Johansson. The Swedish environmental legislation focuses on self-regulation where individual organisations have a responsibility to prevent incidents, but in other markets, such as the United States, the focus is more put towards addressing incidents once they occur. The drivers for sustainability are also different. In the US, some companies are very energy-efficient, but the reason for it is simply the impact it has on costs. Systems in place to improve sustainability are often externally certified in Europe and Asia, with approximately 75% of them being externally



certified. In the United States, it is around 30% as it is seen as an unnecessary expense by some. It is clear that there are differences culturally that are difficult to address. The company has a sustainability strategy with four focus points: enabling a low-carbon society, preserving resources, promoting social progress, and creating a culture of integrity and transparency. As of now, the company focuses on enabling a low-carbon society. Progress is being made but a challenge is to adapt their circular economy plans to align with external frameworks. Mr Johansson also explains the significance of sustainability issues in recent years and claims that businesses must show that sustainability has been integrated into their business, otherwise, they risk losing market share. He ends by explaining that there are significantly higher sustainability requirements, mainly due to external factors and utilises the example of the integrated environmental-financial legislation passed by the EU.

Mr Bäck touches upon sustainability and the successes they have seen, proudly explaining that a reduction of 50% in energy consumption had recently been achieved with a move to a new location. He continues by explaining their ambition for sustainability and their willingness and promotion for incorporating sustainable practices in industries related to theirs, mentioning the packaging industry and the collaboration between the company and packaging companies to find solutions for making more sustainable products work with existing machines. A definition of sustainability is followed, claiming that “we have the resources we have, and as a company and employees, we must be involved in shaping our future”. Some improvements in sustainability are mentioned, mainly the reduction in the number of flights that are necessary, as this not only benefits the environment but also increases profitability.

Mr Bäck also finds it more challenging to promote sustainability in certain markets but actively tries to work towards sustainability even if there are local differences - not only cultural but also laws and infrastructure. In their field of business, the biggest challenge to promote sustainability has been travel. They are located in a remote part of Sweden which often requires detours to reach their destinations for consultations, repairs and such, but they have managed to incorporate remote installations using augmented reality, which has drastically reduced the required travel. Mr Bäck ends by suggesting possible improvements, believing that higher demands need to be set on subcontracts and that there should be a higher external pressure, where society demands higher requirements from companies.

4.4 Lagom

When discussing the challenges or successes in terms of promoting sustainability, Mr Malik mentions the focus on longevity that the company tries to achieve. He describes a balancing act and how compromising on quality or safety is not an option either, which can be seen as a trade-off. This elaboration by Mr Malik smoothes the way to the next question, which is about the interviewee’s personal definition of the term ‘lagom’. He states that, in Sweden, “there is definitely a culture of ‘lagom’, which has both positive and negative aspects. ‘Lagom’ is good to include the majority... so that everyone can feel somewhat comfortable”.



However, some people think that 'lagom' is too little or too much. "They may feel that 'lagom' is not enough, they want to be the best". He further highlights that for Hitachi Energy, "being lagom is not an option, because if you are lagom in this industry you will be outcompeted, so we have to be one step ahead of our competition and thus lagom is not enough. But lagom could be a good addition in business culture". He sees the benefits of being 'lagom' in social and personal interactions, being humble, kind and so on. However, in the business world and in production, 'lagom' would not suffice, you have to be the best.

The question about whether this philosophy always has been the case or whether it was different before the acquisition by Hitachi Energy (previously ABB), he emphasises that it has been like this from the beginning. He underscores the fierceness of competition in the business world: "You simply cannot sell lagom, you need to sell as much as possible, otherwise the competition will outsell you". He adds that, of course, one has to find a healthy balance between production and sales, but this is more from a business perspective. Producing consistently high quality and thus securing production is what counts.

Mr Malik goes on, without being asked a further question, and elaborates on the subject of 'lagom' and finding balance again: "One can not say that lagom is present in that sense in our business culture, no... we operate in the entire world, lagom simply does not work". However, he adds: "But, organic growth is also important, to grow at a pace you can manage. So you could compare that to lagom".

The interviewers want to know more about the interviewee's view of 'lagom' as a concept outside Hitachi Energy's industry, and whether it could lead to more sustainable business practices from his point of view. Mr Malik labels this as a "tricky situation" and stresses the importance of making a profit in order for a company to survive. While that must be the first priority, he still sees the possibility of keeping sustainability a high priority as well: "You can try to keep this balance all the time and try to be as environmentally friendly all the time and have high standards and you could reach quite far".

Mr Malik, to the question about lagom's influence on the leadership style in the company, confirms that he definitely sees that lagom does affect the leadership style. He also accentuates his experience of travelling and living abroad, and that cultural differences play a big role. However, he also adds that 'lagom' emphasises to not push others down. At the same time, everyone cannot be the same: "If everyone is lagom no one can develop. Someone needs to be better and show others, not every person is lagom deep down". He summarises by once again mentioning that 'lagom' will not work in a bigger organisation, that it is not enough, "you have to try your best. In leadership, you can not just do lagom to make someone feel good... You can not help a person lagom".

Mr Paska, to the question about the definition of 'lagom', asserts: "I'm not sure if 'lagom' is particularly beneficial, perhaps in some cases, but not in what we are striving for". He further adds: "We want to be frontrunners, not settling for 'lagom'. This applies to technology and everything else. We want to be at the forefront". He



goes on to talk about the company's two main competitors, Nokia and Huawei, and the strong comeback those two have made. Therewith, he underscores the importance of competitiveness: "We must always be on our toes and continuously improve. They may be better than us in some aspects, and we may be better in others".

When asked if there are any tendencies towards 'lagom' in the company's production processes, Mr Paska negates that question: "No, not in product development or sustainability". Following up with the question about whether 'lagom' could lead to more sustainable business practices, he once again disagrees and states: "I don't think so. We need to be much more aggressive".

He neither sees 'lagom' in the leadership style of the company. However, he also emphasises the differences between countries in terms of legislation and labour law. He compares Sweden and the US and uses the example of taking leave from work for childcare reasons. In the US, he mentions, this is very rare and also Ericsson's divisions in that country are set up accordingly. In Sweden, however, it is different, and there is a much greater deal of tolerance. The interviewer follows up on that statement and asks whether work-life balance is valued, to which Mr Paska agrees: "Yes, it is emphasised quite a bit".

Mr Angmyr when asked to define 'lagom' with his own perception, refers to the culture and values one carries from their childhood when growing up in Sweden. Further, he states: "It's about being content with what one has, not excessively pursuing or acquiring things". He also finds that 'lagom' means "not snatching or pushing ahead at the expense of colleagues" in order to achieve something, like "personal leadership positions", in a job-related context. In the company, he adds, they emphasise teamwork and collective efforts.

When asked whether he sees 'lagom' in practice at NCC, e.g. in projects, he refers to aspects of the company policy a lot. He also mentions bureaucracy, which can be an issue in larger companies, however, he highlights the following: "I advocate simplicity, perhaps not overworking things. Maybe the concept of 'lagom' (moderate, appropriate) hasn't been applied correctly in our company, but it happens".

Mr Angmyr believes that 'lagom' can lead to more sustainable business practices, which he affirms when being asked that question. He also thinks that it influences the leadership style, however, everyone does not apply it to the same extent, which he exemplifies as follows: "We know what is expected; we have our financial goals, but we can also influence them. If you have a manager who constantly says, "Make sure you get those damn profits now," then it's not 'lagom'." With this, he underlines how one can influence whether they are 'lagom' or not, but economical goals matter, too. Also, he clarifies that the company does not explicitly have a 'lagom' leadership style per se. The work-life balance of their employees is highly valued at NCC, and Mr Angmyr adds that they would not do anything inappropriate to make money, treating others fairly in business is an important value to the company.



Mr Johansson, when asked to define 'lagom', points at the Swedish consensus culture. He makes the connection between consensus culture and a 'lagom' philosophy: "Lagom is what you aim for when striving to achieve that consensus". From 'lagom', he quickly goes over to more leadership-relevant points, which he sees as strongly influenced by this consensus culture, trying to involve everyone and not emphasising hierarchy a lot.

When being asked whether the Swedish approach of 'lagom' leads to more sustainable business practices, he expresses his belief that 'lagom' influences Swedish business leaders. However, he also emphasises the need for competitiveness that a firm needs to possess, also how sustainability has become so important nowadays. That being said, he expresses clearly how this is his personal perspective and that this does not necessarily represent Company A's stance. Lastly, he mentions once again how important some of these values are nowadays - however, not without naming some terms that could be connected to the 'lagom' philosophy: "Being down-to-earth, concrete, identifying business opportunities, and understanding where the possibilities lie while balancing the risks, sustainability issues become a much more critical part of the equation than they used to be".

Mr Bäck recognises the term 'lagom' as a Swedish expression, a concept that he grew up with. He defines it as "being moderate, not standing out, following the law of Jante. It exists within our organisation". However, he emphasises that the company also employs people from different cultures and that there are quite a lot of staff members of non-Swedish nationality. Their influence positively affects the company, but through that, the idea of 'lagom' fades away a bit. Mr Bäck makes the comparison with other countries, where 'lagom' is not as strong and where standing out is more accepted than in Sweden. For himself, lagom has been a good expression, but does not describe himself as 'lagom'.

Regarding the question of whether the company is 'lagom', Mr Bäck expresses a different viewpoint: "We are not really 'lagom' in the company; I think it used to exist, but it has changed". He further adds: "I believe one must stand out, be visible, and communicate that they are good" to the question about whether 'lagom' creates a conflict of goals and affirms that statement. When asked if 'lagom' has a place within sustainability, he once again presents an alternative stance: "One should stand out, be a good role model, not be 'lagom', not follow the mainstream but be one step ahead".

4.5 Leadership Culture

From a business standpoint, Mr Malik states that the leadership structure is not hierarchical, mostly because it is based on Swedish leadership. He continues by explaining first-hand experiences with culture clashes in the business world. Mr Malik continues by explaining how Swedish leadership works, the aspect where everyone should be heard is brought up, and the importance of tolerance, no matter the background. Encouraging idea generation and promotion from within and the importance of allowing people to make mistakes (as mistakes are there as a way to learn) are additional factors that express his appreciation for Swedish leadership and



its effectiveness. Employees can exert a good amount of power and influence their work environment, however, this differs between the different subdivisions. At least in Swedish operations, organisational development sessions are held to promote idea generation for improvements.

Mr Paska finds a presence of hierarchy within the organisation but still states that it is quite open and flat, and mentions that it is likely “quite Swedish” when compared to others. He continues by explaining some problems with the Swedish leadership culture, for example, the excessive use of consensus, where everyone should be involved, as this could be harmful in certain situations and some decisions should be made quickly and decisively. Being a global company, Swedish values have shifted out from the company gradually and the organisational structure outside of the Swedish operations lacks the Swedish values that can be found in the Swedish operation. However, Mr Paska also states that there is an “Ericsson culture”, which differs a bit from Swedish values and can be seen across the organisation. A focus is put on a “speak up” culture that encourages people to express their opinions.

Mr Angmyr explains the different hierarchical structures that can be seen in countries outside of Sweden. He believes NCC’s hierarchy is quite flat, everyone is involved and can contribute to solutions. This is true both for the blue-collar workers and white-collar workers, they focus on working as a team and reaching success as a team. Although the hierarchy is flat, there are some significant decisions, mainly in regard to finances, that do not include everyone. However, smaller managers have a lot of freedom in running their operations as long as it aligns with their core framework. A regular employee has the possibility to be part of the planning and have access to various tools to improve their work environment. By providing the best possible tools NCC encourages safety in the workplace as it prevents injuries. NCC also focuses on promoting from within and the opportunity to influence one’s role in the company is great. Regular succession planning and appraisal discussions occur to find the right path for them.

Mr Johansson supports the idea that employees can influence their day-to-day work and states that it is encouraged in the company due to the fact that it can ensure that employees feel good in the workplace. Feeling stuck and not being able to influence their work, or being burdened with unattainable demands will negatively affect the well-being of the employees, which in turn increases the illness rate. Mr Angmyr explains that to achieve success with staff, both short-term and long-term points need to be worked on to resolve issues and find the best possible path for the employees. This, however, varies significantly across the various cultures the company operates in. Nonetheless, in the Swedish operations, employees still have the possibility to influence their decisions. Appraisal discussions are held often to understand the employees and their needs. From a corporate standpoint, the company aims to approach the leadership style universally and to allow the employees to influence their work life across the entire organisation but Mr Johansson states that there are differences due to culture. However, he believes that a strong corporate culture could help mitigate the disparities across the organisation.



Mr Bäck explains that the organisational structure is not hierarchical but rather very flat. A regular employee has the option to simply walk over to the CEO to discuss anything from issues to simple small talk if there is time and such behaviour is appreciated. Employees also have the power to influence their work environment strongly due to the openness of the structure, as it is likely easier to see changes when direct communication with the highest decision maker is possible. Mr Bäck ends with a brief statement that 'lagom' influences their leadership style to an extent.



5 Analysis

This chapter will utilise a combination of the empirical findings and the theory derived from the literature review to analyse the material that has been gathered. The Analysis section shall start by covering the business culture aspect. The sustainability aspect will then be analysed, followed by lagom. The analysis will end with leadership culture.

5.1 Business Culture

Sweden does not only do notably well when it comes to a competitive economy (IMD, 2022) but the country is also known for its highly attractive working conditions and healthy work-life balance (Novela, 2017). Sweden's score in Hofstede's indulgence dimension (78 out of 100; Hofstede et al., 2010) underscores this statement. Furthermore, one characteristic that matches this paper's theoretical foundation and the findings from the interviews is an employee's individual contribution, which is highly valued and often listened to, no matter his/her position in the company hierarchy. The interviews with our five selected companies reflect these values within the business culture in some cases. Four of them are originally Swedish and one is owned by a Japanese parent company (Hitachi Energy, previously ABB, owned by Hitachi Ltd.). Hitachi Energy, NCC, Company A and Norden Machinery all mentioned several of the corresponding values that Swedish business culture gets its good reputation. Topics like internal promotion, career opportunities for the employees within the company, safety and health-related issues and initiatives for gender equality, diversity across all social and ethnic aspects and the like were named prominently across those interviews. Mr Paska from Ericsson, who mentioned less about these topics in his interview, still stated that the company's values are primarily Western European, which suggests that the company also takes a similar stance on important, sensitive aspects such as diversity. The companies' take regarding this topic might or might not be culturally induced, not least due to the fact that Sweden has strong anti-discrimination laws in place (Swedish Institute, 2021).

Apart from the solid foundation from a legal perspective, Sweden has made its mark with their flat hierarchical structure in the business world. The low score in power distance (Hofstede et al., 2010) is confirmed by our interviewees and enforced with some examples. Mr Bäck describes it as completely normal that a regular employee could step into the CEO's office and talk about literally anything, from a good idea to a small talk about football. Also, Company A is portrayed as quite informal, which matches the typical characteristics in our theory. Gilbert et al. (2018) emphasise this as well, by explaining how managers and higher-ups often are addressed on a first-name basis.

Sweden also scores low in uncertainty avoidance (29 out of 100; Hofstede et al., 2010), indicating a correlation between flexibility and tolerance for differences, as well as acceptance of innovation. As the country is sparsely populated, the domestic market is small and dependence on export for growth is high (Swedish Institute, 2021). The fact that Sweden has been an innovation leader on the European



Innovation Scoreboard (European Commission, 2022) comes in handy for the country's economy, as this is an integral part of their economic prosperity (Swedish Institute, 2021). Therefore, it is crucial to be able to deal with other countries and their culture. This presupposes an understanding of different, foreign values, but not least also one's own.

Ericsson's company values are not necessarily congruent with Swedish ones but rather more internationalised. Neither is Norden Machinery's company culture, which could come as a surprise, given that the company is based in Kalmar (Norden Machinery, 2023) and surely has a lot of Swedish influence, not least by their staff members. However, Mr Bäck from Norden Machinery states that many values are instilled from the core since the company's existence. Furthermore, he adds that the company has many non-Swedish staff members who bring in different cultures. The company's structure is probably more Swedish than its corporate culture, he adds. Contrasting that are Hitachi Energy, NCC and Company A, which all mention Swedish values as an inherent part of the company's identity. Mr Malik from Hitachi Energy emphasises that, since the company previously was ABB, and the origins of his division are rooted in Sweden, those values have persisted and influenced the organisation. Mr Johansson describes Company A's business culture as quite informal and Swedish values are incorporated into the global culture. However, given the company's size and magnitude, there is also international influence in it, which he describes by stating that "it may be somewhat Americanised". Mr Angmyr of NCC elaborates less on the specific origin of the company's culture in literal terms but emphasises many important values the company carries in their business culture. He calls it a "values-driven company" and names honesty, respect and trust as three important pillars and goes on to talk about compliance, ethics, health and safety in the workplace. When prompted about whether he sees the connection of the company's values with those of Swedish culture, he agrees and acknowledges that there is a clear link between those two.

Mr Malik from Hitachi Energy expresses his appreciation for the Swedish values that persist in the company. NCC's Mr Angmyr, who has limited international experience and never lived abroad, praises the Swedish or Nordic values as well, although in more indirect terms. He mentions many of the values at various moments of the interview and presents them in a very positive light. Norden Machinery's representative also discusses situations where one can see Swedish cultural elements in people's behaviour, and he demonstrates comfort when naming the principle of not overpromising, as opposed to their Italian counterparts. However, he does not explicitly praise Swedish business culture per se. Ericsson, which is more international in terms of company culture, displays less Swedish influence, and also Mr Paska, their representative, shows his critical voice towards some characteristics of it. He names typical Swedish consensus culture and compares it to neighbouring countries, which are more assertive. He criticises how some decisions are focused too much on consensus, following the Swedish model. This stands in contrast to the praising tone that Holmberg (The Local, 2017) uses to praise the Swedish consensus-orientated way of thinking. Company A mentions consensus as well, however without stating an opinion about the topic. From that, we can conclude, or at least observe some tendencies, that the more the company is



internationalised from an organisational point of view, the less prevalent Swedish business values are. All the interviewees show a sense of comfort with what their company culture entails, showing that one is content with what they are most used to and regard it as normal and legitimate. The company structure accounts for a major part of how a firm is set up and values inherent to the company tend to persist for a long time. It is hard to determine how exactly a firm's business culture is composed, however, the values within the company as well as its personnel both have an influence, as the interviewee's answers show.

The interviewees all express an understanding of cultural differences and discuss examples or situations in an insightful and nuanced way. Several of our interviewees named differing business practices depending on where you are and whom you meet, and how people just think differently in various parts of the world. Mr Malik, with his experience of living in Saudi Arabia and Dubai, plus his bi-national cultural background from Pakistan and Sweden, has equipped him with rich and numerous experiences. He shows a deep understanding of the cultural differences when doing business abroad. In addition to him, the respondents of Ericsson and NCC also mentioned the challenge of dealing with gifts and bribes as something to overcome, which is managed differently in Sweden. Basically, there are different definitions, and one has to carefully address the situation in compliance with internal company rules. When compared to Swedish business culture, where gifts and bribes are highly uncommon and often sharply criticised, we can clearly identify the interviewees' critical view of this kind of business practice. As mentioned, it can be seen as a matter of definition. In that sense, giving a gift as part of a business deal can just be as normal and legitimate in one culture as it is morally and legally reprehensible in another. Given the cultural background of both the respondents and their companies, they all take a similar stance. Honesty seems to be a highly important trait in Swedish business culture, and NCC tries to lead by example, as Mr Angmyr highlights: "We build relationships with clients, and if we are fair and stand by our values, they trust us, which can lead to more business in the future". Their strategy revolves a lot around mutual trust and long-term relationships with their customers, keeping good ties with their partners, he stresses that all companies and competitors do not practice the same way, but for NCC, this is an important part of their philosophy.

Another issue that is highly valued, as observed in the interviews, is the one of sustainability from an internal company perspective. The respondents described a very intrinsic motivation of trying to do the right thing, and all of the company representatives interviewed can name at least some internal initiative that leads to more sustainable business, often in conjunction with cost efficiency as well. Ericsson and Company A work a lot towards always having the latest technology, which both serves a sustainability purpose and increased competitiveness in the market. Norden Machinery is working on sustainability-related issues both externally and internally, and one of their noteworthy innovations is their new meeting rooms that are equipped with augmented reality. This allows for remote installations, which reduces the number of trips necessary and makes their operations more sustainable, but it also contributes to competitiveness in a sense, combined with cost efficiency. The companies in question are finding ways of



linking sustainability initiatives and financial savings, making them more cost-efficient and thus increasingly competitive. Mr Malik of Hitachi Energy emphasises this term a lot: competitiveness. No matter how good a company's intentions are on the environmental side, in the end, profits are needed to survive, and the same is true for all the competitors. He stresses this several times in his interview, and it becomes apparent how competitiveness and economic profits are the clear driving force for any company in the private sector, no matter how nicely their website describes CSR and sustainability initiatives.

5.2 Sustainability

It is clear from the empirical findings that sustainability is important and highly valued by each interviewee. They correlate financial performance with sustainability as the topic has seen an increase in public interest in recent years. Many similarities can be found from the empirical findings, and a majority of the companies seem to work towards the same goals established by the UN when it comes to sustainability. Several of them mention the 17 goals of sustainability and how this both serves as a guide for what needs to be improved and also the societal pressure that has arisen as public awareness has increased since the publication of these goals. Out of the five, Hitachi Energy had specific goals selected from the 17 which were of extra importance. One of these is goal number 12, which was one of the 2 goals deemed most important for environmental sustainability in this thesis (United Nations, 2015).

An interesting aspect of the empirical findings is the belief from all parties that financial success will also eventually lead to success in sustainability, as it allows a company to further develop their practices and frees up capital to be spent elsewhere preferably sustainability. Several companies state that there should not be a trade-off between profitability and sustainability, an example being Mr Malik that states that "Somewhere, profits need to be generated before going green. But you can try to keep this balance all the time and try to be as environmentally friendly all the time and have high standards and you could reach quite far, but prioritizing sustainability over profits is something very few companies have the ability to do". This is because it could be directly harmful to their organisation since they could lose a competitive edge and market share, and then the competition would fill the gap left by the trade-off. This moves into the actual cost of sustainability. Mr Angmyr stated his opinion regarding the willingness of consumers to pay extra for sustainability-related costs across the entire supply chain. There is a significant challenge in actually convincing consumers to see the value in paying more for sustainability, and it is seen as a major challenge to convince consumers that it will initially be more expensive. However, several interviewees mentioned that this differs between cultures, not only from the local consumers but also from local pressure from government bodies. It is a challenge to sell sustainable products, or the idea of sustainability to a market where the awareness is not of adequate level, and this is seen in the empirical findings, especially in statements made by Mr Johansson.

The cultural aspect is critical as it directly relates to the openness to participate. Sweden is mentioned as being at the forefront of sustainability due to a variety of



factors. Some of these factors include that it has been a relevant issue for much longer in Sweden. This has created a much higher awareness of the issue when compared to other countries. Mr Johansson mentions that Swedish environmental legislation is different from other markets. A possible assumption could be that this directly leads to more sustainable companies as it forces them to act in a certain manner and abide by rules when operating outside of Sweden. These values could be a correlating factor as to why Swedish companies perform well in sustainability on the international market. Yet another factor that could contribute to this is also mentioned by Mr Johansson, who names the demands enforced by the export credit agency in Sweden. These demands regulate what projects can be pursued by Swedish companies on the international market, strict requirements on a social and environmental level exist and those need to be fulfilled to be granted governmental guarantees and loans. With this limitation, it hinders Swedish companies from partaking in controversial projects.

Each company has goals and focus points in place concerning sustainability and general consensus can be seen in promoting the reduction of CO₂ emissions in a variety of ways, this is directly mentioned by both Mr Paska and Mr Johansson. However, many of the interviewees also go into depth explaining how crucial every single individual is to reach success in sustainability. This both backtracks into the cultural aspect where the willingness to participate plays a key role but also opens up a new door. Mr Johansson brings in the perspective of finding a balance in everything an individual does. Mr Malik states that, as of now, we live in an egocentric society where the needs and wants of the individual are prioritised over the team and society as a whole. This is harmful as it ignores the needs of others and does not evaluate the damage it could cause. Mr Paska mentions that 85% of the emissions from their products come from the user phase, which further shows how much of a contributing factor the individual person has. It is up to the individual to make an active decision towards more sustainable practices. This can also be seen from the theoretical standpoint, which explains the importance and differences between individual and business responsibilities (Ukko et al., 2018). The empirical findings also hint towards a connection between being more sustainable on an individual level and being 'lagom'. Norden Machinery explains the "right from me" concept, which involves contributing your part towards the team for the greater good, and connects this to typical Swedish values.

From a theoretical standpoint, all companies interviewed had various aspects that fell in line with the definition of sustainability in business. This means that the companies took part in encouraging a less environmentally-damaging way of conducting an aspect of the business.

The companies had a framework towards all three pillars of sustainability: social, environmental, and economic which matches the theory (Purvis et al., 2018). Mr Johansson goes into depth on these three pillars and the crucial focus points of each of them. Mr Paska takes a different route and explains the importance of finding a balance between all three of them and how this balance is not only concerning projects but in everything they do. This opinion is shared with the previously mentioned interviewee and aligns with the theory (Purvis et al., 2018).



No company shows any indication of participating in any form of greenwashing, nor did they provide any information that could be remotely interpreted as greenwashing in any of the 13 subtopics (Netto et al., 2020). However, it is important to consider that all companies did indicate that financial performance could be directly related to sustainability and thus it is important to take into account that companies are likely not acting sustainably purely for the benefit of mankind, but as a way of generating more money. This can not be proven by the empirical findings and responses from each interviewee showed that personal care for the environment was present, thus limiting the risk of any hidden greenwashing.

5.3 Lagom

In the Swedish dictionary, ‘lagom’ is defined as a noun, adjective and adverb. There are different definitions since the word is very situational but they all revolve around the meaning of “not too much, not too little, just enough” (Allén et al., 2017, p. 663). When asking our interview participants for a definition based on their own perceptions, we get very different results. This comes as no surprise, as Forbes’ interview with Åkerström reveals: “My lagom is not going to be your lagom” (Nikel, 2019). Mr Paska defines the word quite exactly like the dictionary definition, before going over to his personal opinion about the applicability of the term in his business.

Mr Angmyr takes more time to elaborate and describes how it stems from one’s childhood. According to him, it carries values and culture with it, and it is about being content with what one has, without “excessively pursuing or acquiring things... not snatching or pushing ahead at the expense of colleagues”. He goes on to mention that his company emphasises teamwork and collective efforts. Sweden has a distinct community mindset, as Åkerström mentions in her book *The Swedish Secret of Living Well*, cited by Zita (2017). This needs to be fully understood and seen in the cultural context before making any judgements about the concept.

Mr Angmyr goes on and mentions the following about the company’s values: “Everything is built on honesty towards each other, honesty towards customers, and respect for one another. One should not demean others”. His statement coincides well with both Swedish business culture values (Swedish Institute, 2021) and broad ideas or cultural traits of ‘lagom’ in the literature review. He advocates simplicity and mentions that this might not always be correctly applied in the company. However, he holds the opinion that ‘lagom’ can lead to more sustainable practices, which he confirms with the statement that financial goals are important, but there is still some room for influence from the company’s side if other priorities also need to be considered.

Similar to NCC’s representative is Mr Bäck’s approach from Norden Machinery. He recognises the term as a Swedish concept and remembers growing up with it. For him, it means “being moderate, not standing out, following the law of Jante”. He notes that the term exists within the organisation, however, the company also hires many non-Swedish nationals and they bring their (positive) cultural influence with them. The idea of ‘lagom’ would slowly fade away, as he states. This is because, in



other countries, the concept of 'lagom' (he is hinting at the part where standing out is seen as inappropriate) is not as strong. "They allow individuals to stand out, to be exclusive, and to express their will and opinions. 'Lagom' has been a good expression for me, but I am not 'lagom'." He emphasises that one must stand out to be successful, which also includes being visible and communicating that one is good. To be able to be a role model, standing out must be possible. Being one step ahead is important and following the mainstream is not a solution that would work in this regard.

Mr Malik does not see himself as 'lagom', either. He first explains his definition and understanding of the term. He definitely sees a culture of 'lagom' in Sweden, and he mentions both positive and negative aspects. "Lagom is good to include the majority... so that everyone can feel somewhat comfortable". However, he also mentions that some might think 'lagom' is too much or too little or not enough. Mr Malik then adds that, if everyone is the same, no one can be better. When one wants to be the best, 'lagom' is not an appropriate concept, he emphasises. He further adds (about the company): "For us, being lagom is not an option, because if you are lagom in this industry you will be outcompeted, so we have to be one step ahead of our competition and thus lagom is not enough". He sees 'lagom' as a good addition to business culture, though. There, he specifically refers to social situations, like having *fika*. Being 'lagom' to each other can be a good thing, and, as the dictionary definition allows it, he uses it as an adjective: "lagom humble, lagom kind and so on". He further emphasises the importance of finding a good balance in various aspects of the company. In business, however, the concept does not work in his opinion. One cannot sell 'lagom', otherwise the competition will outsell you. Therefore, he concludes: "One cannot say that lagom is present in that sense in our business culture".

Mr Paska from Ericsson takes a similar stance as Mr Malik. He expresses his doubts about whether 'lagom' is particularly beneficial and reassures that, even though in some cases it could work, the company is not striving for a 'lagom' philosophy. The company has to be on the forefront, as he emphasises: "We must always be on our toes and continuously improve". He sees no place for 'lagom' in business processes, such as production. Neither does he see the concept leading to more sustainable business practices, and also in Ericsson's leadership style, he is unable to draw connections to 'lagom'. However, he highlights that in the Swedish divisions of the company, there is great deal of tolerance regarding topics such as paternity leave. This is more due to differences in regulations between countries, and he names the US as an opposite example. In general, and within their means, Ericsson tries to promote a healthy work-life balance, which is also pointed out by Mr Paska.

In Mr Johansson's definition, lagom is connected to Swedish consensus culture. He elaborates on the company's flat hierarchical structure and emphasises how they try to involve every employee as much as possible. As for the connection between the 'lagom' approach and more sustainable business practices, he stresses that he is expressing his own opinion here, not necessarily Company A's. He reflects on the increasing importance sustainability has gained in recent years, and that being down-to-earth, identifying business opportunities while maintaining ethical



standards and balancing the risks are crucial to keep in mind. However, when casting a critical eye on the whole topic, a lot of the aspects mentioned are related to common sense. As Blennow (2018) describes, 'lagom' is not inherently a Swedish invention, and before connecting everything mentioned here to a Swedish 'lagom' approach, we also have to recognise that many measures are just common practice in business and part of ethics.

Mr Johansson uses the word "balanced" a lot and connects 'lagom' to leadership in several instances, as well as linking it with flat hierarchies and describing how this culture is prevalent within Company A. Superiors would function more as leaders than just managers, and he adds: "I believe 'lagom' influences Swedish business leaders". Hitachi Energy's representative also states that 'lagom' affects the leadership style. However, he also stresses that 'lagom' is not enough and one has to try their best. Even in leadership "you can not just do lagom to make someone feel good". Keeping a balance wherever possible and trying to be environmentally friendly, with high standards, can get you quite far, as Mr Malik adds. Mr Angmyr agrees even to a larger extent by directly affirming that 'lagom' can in fact lead to more sustainable business practices. Throughout his interview, he mentions many value-related aspects and mutual trust several times. Mr Bäck shares this notion by explaining how relying on each other has gotten them quite far. He explains the term "right from me", which entails that if everyone lives up to what they promise, e.g. among colleagues, things will work out as planned. This stands in contrast to their Italian counterparts, who do not share the same cultural values and might thus not be perceived as 'lagom'.

5.4 Leadership Culture

The empirical findings indicate that each company is aligned, at least to an extent, with a Swedish leadership culture. Mr Malik outright states that the leadership structure is not hierarchical since it is based on Swedish leadership. They all have indications that would fall in line with typical Clan Culture (Cameron & Quinn, 2006), but interestingly, they all indicate the most unique aspect of the Swedish leadership style, which is the contradiction of the equal value in individual strength and collaboration. The voice of each employee is important and the Swedish societal aspect of "fear of conflict" encourages creative thinking and finding success through trial and error (Holmberg, 2017). Mr Malik mentions this specific aspect, almost word for word, and names it as one of the core strengths of the Swedish leadership style as it promotes innovation, which is crucial in his specific industry. The Swedish leadership style is generally appreciated by the interviewees, and Mr Malik expresses his appreciation for the Swedish values and leadership style. He explains the cultural clashes he had personally experienced when working abroad, and how it does not allow for mistakes and is heavily hierarchical, which could lead to a toxic work environment. Mr Angmyr goes deeper into why he believes the Swedish leadership style is beneficial, mentioning aspects such as promoting team spirit and leading to more honest business practices. Both Mr Angmyr and Mr Paska mention how speak-up culture exists within their companies and Mr Paska directly states that it "may be quite Swedish", whilst Mr Angmyr brings an example where



German/English companies lack the speak-up culture due to the hierarchical structure.

On the other hand, Mr Paska expresses his disliking for this exact aspect of Swedish leadership. The overabundance of consensus can sometimes be harmful as it leads to indecisiveness, which can in turn cause lost opportunities. This can also be seen in the theory where a high level of femininity (consensus) in a company is linked to indecisiveness (Hofstede Insights, 2023). This high degree of femininity in companies can further be detected in the way employees have a high influence on their own work and find a healthy work-life balance. Mr Angmyr explains the importance for each employee to be satisfied with their work and within NCC, regular succession planning and appraisal talks are held to tailor the path the employee wants to take, allowing each individual to shape their role in the company. Mr Johansson is also in support of this idea and states the importance for employees to feel good in the workplace. He directly correlates unhappy employees with more sick days, therefore, appraisal talks are held within this organisation as well. However, Mr Johansson states that this is only true in the Swedish operations, which would indicate that it is affected by culture and the Swedish operations being more feminine than the rest of their operations (Hofstede Insights, 2023). The aspect of promoting happier employees could also indirectly influence environmental sustainability as a healthier work environment where the employees have the ability to be part of creating their own path for development could encourage employees to be more productive and innovative, which ultimately can lead to better sustainability in the organisation as a whole.

Continuing on the topic of trial and error, the researchers believe that this could have a direct connection to why Swedish companies are more sustainable than others. As mentioned before, encouraging the practice of being allowed to make mistakes, and that everyone has a chance to speak up promotes innovation. Innovation does not only influence actual product improvements but can also be connected to current societal trends. If there is a societal push for more sustainability the likeliness to either unintentionally or intentionally innovate in the field of sustainability increases.

The leadership culture also heavily hints that lagom is prominent in some organisations, and Mr Bäck also directly mentions that lagom influences the leadership culture. The factor of promoting a balance in work-life is likely the easiest parallel to draw with lagom and leadership culture and is mentioned by most of the interviewees as an important factor in their organisation.

An interesting aspect that can be seen in the more global companies is the incorporation of more “global” values and a reduction in Swedish values. This can be seen by Mr Paska, Mr Johansson, and Mr Bäck who all mention a company-specific culture, which they believe is distinct to their operations. Mr Johansson also believes that a strong corporate culture could help to overcome possible disparities within the organisation as the corporate culture can take priority over national culture.



In the respective organisation's culture, Swedish leadership can be seen, but due to the cultural factors present in countries outside of Sweden, several of the companies find it difficult to enforce this style of leadership in the international market. An example of where the soft non-hierarchical leadership style clashed was brought up by Mr Bäck who mentions how it was difficult to communicate effectively when doing business in India as the highest-ranking executive only wanted to communicate with the other highest-ranking executive and not directly with technicians. This hindered their communication ability, thus leading to less effective implementation of their products. In order for Swedish companies to be competitive in the international market, a possible suggestion would be that the leadership style needs to be more hierarchical. This not only makes the communication style more adapted to the climate but could also lead to more business opportunities since Swedish companies would align more with the competition. Enforcing a stronger hierarchical structure on the international scene can likely also lead to more respect for the Swedish system as some aspects could be perceived as “weak” due to its feminine nature (Hofstede Insights, 2023).



6 Conclusion

Here, the answers to the research questions will be presented and cover various aspects of Swedish business culture and lagom. The theoretical implications are also to be displayed in this chapter and are going to include how this paper has expanded the research on lagom and Swedish culture. Practical implications will follow, along with the limitations of the research and suggestions for future research. This chapter will end with final thoughts and recommendations.

6.1 Answering the Research Questions

In this thesis project, the connection and impact between ‘lagom’ and the sustainability of Swedish companies have been researched. After covering all the important themes in our Literature Review and outlining the various definitions of the broad term ‘lagom’, primary data was collected by interviewing Swedish business professionals in order to obtain findings and draw conclusions from the newly-gathered insights. This paper had two underlying main research questions: (1) *How do Swedish companies apply the ‘lagom’ philosophy in their international business practices?* and (2) *How does lagom affect companies’ environmental sustainability?* In addition to that, an interesting observation has been made, based on a question. This is also mentioned and answered below: *Are Swedish companies more sustainable by design or is this a side effect of ‘lagom’ culture?*

6.1.1 How do Swedish companies apply the ‘lagom’ philosophy in their international business practices?

The ‘lagom’ philosophy has been shown to be rooted within individuals and, to some extent, Swedish company culture. It is not something that is consciously applied or implemented but rather reflected in the values of people and organisations. ‘Lagom’ cannot be enforced within all aspects of the business as it clashes with the idea of competitiveness, which is named by several respondents in the interviews. Companies, at least in the private sector, have to strive for the top and try to be the best. They cannot survive without profits, and even if all of the companies in this research project demonstrated a willingness to highly prioritise sustainability, profitability goes first.

Within leadership, there is a clear connection to ‘lagom’. This has both been detected through direct quotes and mentionings by the interviewees and also when comparing cultural traits with one another. Swedish leadership culture, which is characterized by a flat hierarchy and a “voice to be heard” culture, emphasises every person’s importance, and this can definitely be, at least to some extent, connected to lagom.

6.1.2 How does lagom affect companies’ environmental sustainability?

Although none of the companies had an active plan of integrating lagom into their operations, there were clear hints that lagom did in fact influence how the company operates. Lagom is more rooted in the individual Swede as opposed to something



companies try to enforce, therefore, lagom is a subconscious factor that influences how one thinks, acts, and prioritises. This ideology of putting the focus on the team and society over one's own personal interest is a contributing factor, which ultimately affects companies' environmental sustainability.

This care for the society that is partly rooted in 'lagom' can also be connected to how sustainability has a long tradition in Sweden. This tradition has resulted in an increase in societal awareness of the issue, which in turn also influences the laws and regulations present in the country. Simply, there are higher requirements in Sweden than elsewhere that need to be fulfilled, thus automatically leading to improved environmental sustainability given the higher standards compared to elsewhere.

Another aspect where lagom affects companies' environmental sustainability can be detected in the leadership culture. Sweden, as stated throughout this research, is a world leader in innovation. This can be directly correlated to the encouragement of "trial and error", which allows for better idea generation, and a sounder understanding of what works and what does not work. Involving each individual in idea generation encourages faster innovation, which ultimately leads to better environmental sustainability. The belief that everyone could have a useful opinion is an important factor.

6.1.3 Are Swedish companies more sustainable by design or is this a side effect of 'lagom' culture?

The research that has been conducted would indicate that Swedish companies are more sustainable. This conclusion can be made based on the global nature of the companies that were interviewed, where internationally experienced interviewees saw differences in sustainability in the different divisions of the organisation. Some stated that Sweden is at the forefront of sustainability, which would indicate that the Swedish operations of their company are more sustainable. This difference strongly indicates that there is a link between some aspects of Swedish culture and sustainability. Although the research conducted is too limited to provide a concrete conclusion, the researchers are confident that the cultural factors are the contributing reason towards Swedish companies being more sustainable than others, including 'lagom'. With the flat leadership style present in each of the companies interviewed and general approval for consensus and teamwork, a concrete correlation can be found.

Further, some Swedish companies seek a balance in what they do and stress the importance of not participating in controversial projects. This simple mindset could also be a contributing factor to why Swedish companies are considered to be more sustainable - they seldom engage in projects which could be harmful to the environment as it goes against their culture of seeking balance. Additionally, there are also regulations in place that limit participation in such projects.



6.2 Theoretical Implications

From a theoretical perspective, the findings from this thesis have contributed to public knowledge on lagom in connection with sustainability. Furthermore, the correlation between Swedish leadership and sustainability has also been expanded, again drawing connections to lagom and shedding light on this interplay of cultural values and their cohesion. As identified from the findings, companies have a sustainability agenda in place that they try to follow. Moreover, the extent to which sustainability awareness exists within an organisation, both on an individual level and collectively, seems to be influenced by cultural factors and/or national legislation. The interviewees see the potential of lagom in some areas and aspects, however, much more in one's private life than in the business world. Therefore, 'lagom' has limited potential and cannot be applied as a panacea in all contexts.

6.3 Practical Implications

The practical implications of this research can be shown primarily within leadership culture. Companies could adopt the leading 'lagom' approach, which could not only lead to better sustainability but could also promote innovation, ultimately leading to a more competitive company. The Swedish model of being lagom, sustainable, having a healthy company culture and a flat leadership structure has been proven to be successful. Whether by design or as an unintended consequence of cultural values, the Swedish model offers many great benefits that could be useful for other companies to learn from.

The Swedish companies do not see sustainability and profitability as a conflict of goals but rather as a correlating outcome. If companies outside of Sweden were to adopt this mindset where they see the prioritisation of sustainability as an investment rather than a sacrifice, this could make them become more innovative. They would also strive for the latest and most sustainable methods, which would ultimately make them more sustainable and also save costs in the long run, thus increasing profitability.

6.4 Limitations

Throughout the course of this thesis project, we identified certain limitations that we consider worth mentioning as they can affect the quality of our findings. This research project was conducted with an inductive approach, relying on the primary data collected from five interviewees with Swedish business professionals. All the interviewees were Swedish nationals in companies within the private sector, and all of them were male respondents. Data saturation was most likely not reached and a larger sample size could possibly have given different results. Only one method of data collection was used and the findings were based entirely on the outputs from the interviews. In other words, our collection of data relies on what the interviewees told us, and there could be a certain amount of bias in that. Despite trying to keep a critical view of the data collected, it cannot be ignored that the results could show some tendencies for bias as both the authors and all interviewees are living in Sweden, and are representing a Swedish organisation.



6.5 Suggestions for Future Research

As this research was conducted on medium to large companies, out of which three were global, it could be wise to conduct a similar study that examines smaller companies, which could provide different insights into how lagom influences their practices. We saw vast similarities between the global companies and differentiating factors in the medium-sized companies, and this would hint that smaller companies could provide useful information that global companies exclude. Further research could also be conducted about Swedish culture as a whole and what other aspects of it could contribute to better sustainability as the research in this thesis indicates that Swedish culture largely affects sustainability. Lastly, due to the limitations of the research, the best approach to further understand the effectiveness of lagom would be to conduct case studies with non-Swedish companies implementing lagom to understand how effective it could be as a standalone factor, which presumably presents just one aspect of Swedish culture affecting sustainability.

6.6 Final Thoughts and Recommendations

The researchers believe that lagom has the potential to be one of the new fads of sustainability. There is a reason that lagom has gotten attention from a leadership perspective as several benefits have been displayed, but we believe that lagom deserves some attention from a sustainability standpoint as well. In the end, a considerable part of being sustainable lies on the individual, so it could be wise to be a bit more 'lagom' in everyday life, and prioritise *Laget före jaget*.

With this, we leave you with a recommendation. Researching lagom can be tedious, but in the end extremely interesting. If you are raised in a lagom culture, it gives you a deeper understanding of who you are, and why you behave in a certain way. Therefore, to find yourself, why not do a bit of research on lagom?



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Appendices

Appendix A - Interview Guide in English

The questions in the interview guide have been formed in connection with the Operationalisation table. As the interviews were semi-structured, unscripted follow-up questions as well as such that were specifically asked to some companies only are not mentioned in the interview guide.

General questions

- 1) Do you agree that the answers you provide in this interview can be utilised and published?

Interviewee and company profile

- 2) What is your job title?
- 3) Can you tell us a bit more about your job duties?
- 4) How long have you been working for this company?
- 5) Please tell us about your international experience
- 6) In which markets is the company active?

Business culture

- 7) Can you describe your company culture
 - What cultural values or beliefs are particularly important to your company's operations?
- 8) Do you think that Swedish values are an important part of your company culture?
- 9) From a cultural standpoint, have you faced any challenges in your operations abroad that you did not face domestically?
- 10) How does your company balance the trade-off between sustainability and profitability in its international operations?

Sustainability

- 11) How would you describe or define sustainability in your own words?
- 12) Can you discuss any differences or similarities in sustainability practices between your company's operations in Sweden and in other countries?
- 13) Can you discuss any specific challenges or successes that your company has had in promoting sustainability?



Lagom

- 14) How would you define 'lagom' from your personal point of view?
 - Is 'lagom' implemented in your company? If so, where?
- 15) In your opinion, does the Swedish approach to 'lagom' lend itself to more sustainable business practices? Why or why not?

Leadership culture

- 16) Would you describe the company's leadership structure as hierarchical?
 - Do you think that this aligns with typical Swedish culture and values?
- 17) How much influence does a non-managerial employee have?
- 18) Does 'lagom' influence the leadership style within the company? If so, how?

Concluding questions

- 19) Is there anything else you would like to add?



Appendix B - Interview Guide in Swedish

Frågorna i intervjuguiden har formulerats i anslutning till operationaliseringstabellen. Eftersom intervjuerna var semistrukturerade och inte följde något förutbestämt manus, nämns inte uppföljningsfrågor eller frågor som ställdes specifikt till vissa företag i intervjuguiden.

Allmänna frågor

- 1) Godkänner du att vi kan använda svaren du ger i vår analys, och att det även kan publiceras?

Intervjupersonens och företagets profil

- 2) Vad är din yrkestitel?
- 3) Kan du berätta lite om dina arbetsuppgifter?
- 4) Hur länge du har arbetat på företaget?
- 5) Vad har du för internationell erfarenhet?
- 6) På vilka marknader är företaget verksamt?

Företagskultur

- 7) Kan du beskriva vilka kulturella värderingar eller uppfattningar som finns i företaget?
 - Några som är särskilt viktiga för ditt företags verksamhet?
- 8) Tycker du att svenska värderingar är en viktig del av din företagskultur?
- 9) Har ni ur kulturell synvinkel mött några utmaningar i er verksamhet utomlands som ni inte mött på hemmaplan?
- 10) Hur balanserar ditt företag avvägningen mellan hållbarhet och lönsamhet i sin internationella verksamhet?

Hållbarhet

- 11) Hur skulle du beskriva eller definiera hållbarhet med dina egna ord?
- 12) Kan du diskutera eventuella skillnader eller likheter i hållbarhetspraxis mellan ditt företags verksamhet i Sverige och i andra länder?
- 13) Kan du diskutera några specifika utmaningar eller framgångar som ditt företag har haft när det gäller att främja hållbarhet?



Lagom

- 14) Hur skulle du definiera "lagom" ur din personliga synvinkel?
 - Har "lagom" införts i ditt företag och i så fall var?
- 15) Enligt din åsikt, ger det svenska tillvägagångssättet för "lagom" upphov till mer hållbara affärsmetoder och i så fall varför?

Ledarskapskultur

- 16) Skulle du beskriva företagets ledarskapsstruktur som hierarkisk?
 - Tycker du att detta stämmer överens med typisk svensk kultur och svenska värderingar?
- 17) Hur mycket inflytande har en anställd som inte är chef?
- 18) Påverkar "lagom" ledarstilen inom företaget och i så fall på vilket sätt?

Avslutande frågor

- 19) Finns det något annat som du skulle vilja lägga till?